



# NETLINK NBN TRUST AND ITS SUBSIDIARIES

## INTERIM FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR AND FULL YEAR ENDED 31 MARCH 2025

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# NetLinkNBN

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## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

### **INTRODUCTION**

NetLink NBN Trust (the “Trust”) is a business trust constituted in Singapore pursuant to a trust deed under the laws of Republic of Singapore. The Trust was listed on 19 Jul 2017 on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). NetLink Trust, an unregistered business trust, is wholly owned by the Trust. The Trust and its subsidiaries taken as a whole shall hereinafter be referred to as “NetLink Group” or “Group”.

NetLink Group’s nationwide network is the foundation of the Nationwide Broadband Network (“NBN”), over which ultra-high speed internet access is delivered throughout mainland Singapore and its connected islands. NetLink Group designs, builds, owns and operates the passive fibre network infrastructure (comprising ducts, manholes, fibre cables and central offices) of Singapore’s NBN. NetLink Group’s extensive network provides nationwide coverage to residential homes and non-residential premises in mainland Singapore and its connected islands.

The principal services provided by NetLink Group are as follows: (i) the use of NetLink Group’s network for the purpose of end-user fibre connections, currently for broadband, internet-protocol TV and voice-over internet protocol services, (ii) the use of the other passive infrastructure to provide fibre connections, and (iii) the provision of other non-fibre ancillary services.

NetLink Group uses its network primarily to provide fibre connections meant for residential and enterprise end-users. The network provides (a) residential end-user connections, (b) non-residential end-user connections, (c) non-building address points (“NBAP”) as well as (d) segment and point-to-point connections (with options for diversity). For mandated services, the provisioning is regulated and set forth in the facilities-based operations licence of NetLink Group. The Group must offer such services to all Qualifying Persons in Singapore, with each requesting Qualifying Person being a Requesting Licensee (“RL”), at regulated prices, without preference or discrimination.

NetLink Group is the only telco regulated by IMDA under the Regulated Asset Base (“RAB”) regime which allows it to recover the cost of investment, operating expenditure and earn a regulated rate of return for its fibre network assets.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

**SUMMARY OF NETLINK GROUP RESULTS**

	Half Year Ended 31 Mar			Financial Year Ended 31 Mar		
	2025	2024	Variance	2025	2024	Variance
	("H2 FY25")	("H2 FY24")		("FY25")	("FY24")	
	\$'000	\$'000	%	\$'000	\$'000	%
(Unaudited)	(Unaudited)		(Audited)	(Audited)		
<b>Revenue <sup>(1)</sup></b>	202,152	205,960	(1.8)	406,996	411,276	(1.0)
<b>EBITDA <sup>(2)</sup></b>	144,597	143,281	0.9	288,113	292,399	(1.5)
<b>EBITDA margin</b>	71.5%	69.6%	1.9pp	70.8%	71.1%	(0.3pp)
<b>Profit after tax ("PAT") <sup>(3)</sup></b>	46,864	50,324	(6.9)	95,354	103,209	(7.6)

**Note:**

- (1) Revenue for H2 FY25 and FY25 declined by \$3.8 million (1.8%) and \$4.3 million (1.0%) respectively. The decline was primarily driven by a reduction in ancillary project revenue, which fell by \$3.2 million and \$6.2 million for H2 FY25 and FY25 respectively, due to fewer work orders. Connections revenue declined by \$1.9 million and \$1.5 million for H2 FY25 and FY25 respectively, following a decrease in the monthly recurring charge ("MRC"). The impact from lower MRC was largely offset by the growth in connection numbers. Higher co-location revenue, central office revenue as well as installation-related and other revenue also partially mitigated the aforesaid reductions.
- (2) EBITDA for H2 FY25 and FY25 were impacted by the absence of two one-off items that had a net negative impact of \$2.6 million in FY24. These FY24 items comprised a \$8.8 million write-off of decommissioned network assets and one-off reversal of \$6.2 million cost relating to power charges following a dispute settlement. Excluding these FY24 items, EBITDA for H2 FY25 declined by \$1.3 million (0.9%) due to lower revenue, while full-year EBITDA for FY25 declined by \$6.9 million (2.3%) due to lower revenue, lower non-operating income and higher expenses.  
  
EBITDA is a non-SFRS financial measure and represents operating profit before depreciation and amortisation expense, net finance costs and income tax expense. EBITDA and EBITDA margin are supplemental financial measures of NetLink Group's performance and liquidity, and are not required by, or presented in accordance with SFRS, IFRS, Singapore Financial Reporting Standards (International), U.S. GAAP or any other generally accepted accounting principles.
- (3) PAT for H2 FY25 and FY25 fell by 6.9% and 7.6%, respectively, compared to the prior year. The decline in PAT in H2 FY25 was due to increased depreciation and amortisation, lower income tax credit and higher finance costs, partially offset by higher EBITDA. The decline in PAT for FY25 was driven by a combination of lower EBITDA, increased depreciation and amortisation, and higher finance costs. These were partially offset by a higher income tax credit.

Further details of NetLink Group's financial performance are provided in Note 19.

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### DISTRIBUTION STATEMENT

	<b>FY25</b> \$'000 (Unaudited)	<b>FY24</b> \$'000 (Unaudited)
<b>Cash Available For Distribution ("CAFD")</b>		
Profit before income tax	92,118	101,066
Add: Depreciation and amortisation	177,565	172,928
Add: Other non-cash item	6,492	15,313
Add: Changes in working capital	24,756	14,922
Less: Cash taxes	(42,199)	(10,929)
Less: Purchase of property, plant and equipment	(134,760)	(124,285)
Less: Purchase of intangible assets	(8,918)	(8,033)
Less: Repayment of lease liabilities	(3,624)	(3,326)
Add: Proceeds from bank loan	91,000	30,000
Less: Payment of loan arrangement fee	(60)	(75)
Transfer from: Cash held in reserves and provisions for future capital expenditure and working capital	6,508	18,959
<b>CAFD</b>	<u>208,878</u>	<u>206,540</u>
<b>Distributions Attributable for the Financial Year <sup>(1)</sup></b>	<u>208,878</u>	<u>206,540</u>

#### Note:

(1) Total distributions paid/payable

	<b>FY25</b> \$'000 (Audited)	<b>FY24</b> \$'000 (Audited)	<b>Payment Date</b>
1 Apr 2023 – 30 Sep 2023	-	103,270	1 Dec 2023
1 Oct 2023 – 31 Mar 2024	-	103,270	12 Jun 2024
1 Apr 2024 – 30 Sep 2024	104,439	-	29 Nov 2024
1 Oct 2024 – 31 Mar 2025	104,439	-	11 Jun 2025
	<u>208,878</u>	<u>206,540</u>	

## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

### **DISTRIBUTION POLICY**

NetLink Group's full distribution policy can be found in the prospectus of the Trust dated 10 Jul 2017.

NetLink Group's distribution policy is to distribute 100% of its cash available for distribution ("CAFD"), which includes distributions received from its wholly-owned subsidiary NetLink Trust ("NLT"). NLT's distribution policy is to distribute at least 90% of its distributable income to the Trust after setting aside reserves and provisions for, amongst others, future capital expenditure (including the funding of a capital expenditure reserve fund pursuant to regulatory requirements), debt repayment and working capital as may be required.

Distributions by NetLink Group will be made on a semi-annual basis, with the amount calculated as at 31 Mar and 30 Sep each year for the 6-month period ending on each of the said dates.

A distribution in the total amount of \$104,438,825 or 2.68 Singapore cents per Unit was declared for NetLink Group's distribution period from 1 Apr 2024 to 30 Sep 2024. A distribution in the total amount of \$104,438,825 or 2.68 Singapore cents per Unit is declared for NetLink Group's distribution period from 1 Oct 2024 to 31 Mar 2025 and will be payable on 11 Jun 2025 by NetLink NBN Management Pte. Ltd. (in its capacity as the trustee-manager of the Trust) as a distribution in cash to NetLink Group's unitholders.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

**INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	H2 FY25 \$'000 (Unaudited)	H2 FY24 \$'000 (Unaudited)	Variance (%)	FY25 \$'000 (Audited)	FY24 \$'000 (Audited)	Variance (%)
<b>Revenue</b>	19	202,152	205,960	(1.8)	406,996	411,276	(1.0)
Other income	6.1	3,825	4,240	(9.8)	8,132	9,273	(12.3)
<b>Expenses</b>							
Operation and maintenance costs		(10,361)	(4,298)	141.1	(22,533)	(15,853)	42.1
Installation costs		(7,632)	(5,899)	29.4	(15,955)	(11,696)	36.4
Ancillary project direct costs		(5,511)	(8,996)	(38.7)	(10,963)	(17,749)	(38.2)
Depreciation and amortisation	6.2	(90,072)	(86,502)	4.1	(177,565)	(172,928)	2.7
Staff costs		(12,052)	(14,743)	(18.3)	(25,915)	(27,815)	(6.8)
Finance costs	6.3	(11,366)	(10,832)	4.9	(22,595)	(21,752)	3.9
Other operating expenses	6.4	(23,848)	(31,312)	(23.8)	(47,484)	(51,690)	(8.1)
<b>Total expenses</b>		<b>(160,842)</b>	<b>(162,582)</b>	<b>(1.1)</b>	<b>(323,010)</b>	<b>(319,483)</b>	<b>1.1</b>
<b>Profit before income tax</b>		<b>45,135</b>	<b>47,618</b>	<b>(5.2)</b>	<b>92,118</b>	<b>101,066</b>	<b>(8.9)</b>
Income tax credit	7	1,729	2,706	(36.1)	3,236	2,143	51.0
<b>Profit after income tax</b>		<b>46,864</b>	<b>50,324</b>	<b>(6.9)</b>	<b>95,354</b>	<b>103,209</b>	<b>(7.6)</b>
<b>Other comprehensive loss items that may be subsequently reclassified to profit or loss</b>							
Cash flow hedges		(4,089)	(8,230)	(50.3)	(16,791)	(7,004)	139.7
<b>Other comprehensive loss for the year</b>		<b>(4,089)</b>	<b>(8,230)</b>	<b>(50.3)</b>	<b>(16,791)</b>	<b>(7,004)</b>	<b>139.7</b>
<b>Total Comprehensive income for the year</b>		<b>42,775</b>	<b>42,094</b>	<b>1.6</b>	<b>78,563</b>	<b>96,205</b>	<b>(18.3)</b>
<b>Profit attributable to:</b>							
Unitholders of the Trust		46,864	50,324	(6.9)	95,354	103,209	(7.6)
<b>Total comprehensive income attributable to:</b>							
Unitholders of the Trust		42,775	42,094	1.6	78,563	96,205	(18.3)
<b>Earnings per unit:</b>							
- Basic and diluted		1.20 cents	1.29 cents		2.45 cents	2.65 cents	
Weighted average number of units ('000) in issue for calculation of basic and diluted earnings per unit		3,896,971	3,896,971		3,896,971	3,896,971	

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

**INTERIM STATEMENTS OF FINANCIAL POSITION (GROUP AND TRUST)**

	Note	Group		Trust	
		As at 31 Mar 2025 \$'000 (Audited)	As at 31 Mar 2024 \$'000 (Audited)	As at 31 Mar 2025 \$'000 (Audited)	As at 31 Mar 2024 \$'000 (Audited)
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank deposits		177,575	182,914	58,777	59,072
Trade and other receivables		30,913	36,495	339	176
Contract assets		46,057	43,983	-	-
Finance lease receivables	8	238	224	-	-
Inventories		3,101	4,331	-	-
Other current assets		6,338	5,827	252	156
Derivative financial instruments	9	6,194	-	-	-
		270,416	273,774	59,368	59,404
<b>Non-current assets</b>					
Finance lease receivables	8	65,432	65,670	-	-
Property, plant and equipment	10	2,649,838	2,679,088	-	-
Derivative financial instruments	9	-	21,997	-	-
Right-of-use assets		28,128	29,820	-	-
Rental deposits		240	240	-	-
Goodwill and other intangible assets	11	847,867	845,978	42	-
Investment in subsidiaries		-	-	2,013,673	2,013,673
Subordinated loan to a subsidiary		-	-	1,100,000	1,100,000
		3,591,505	3,642,793	3,113,715	3,113,673
<b>Total assets</b>		3,861,921	3,916,567	3,173,083	3,173,077
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		69,920	54,312	655	397
Deferred revenue		50,801	37,990	-	-
Loans	12	165,855	-	-	-
Lease liabilities		2,034	2,273	-	-
Current tax liabilities		12,673	42,828	95	69
		301,283	137,403	750	466
<b>Non-current liabilities</b>					
Derivative financial instruments	9	988	-	-	-
Other payables		1,143	794	-	-
Deferred revenue		4,729	5,133	-	-
Loans	12	689,079	763,124	-	-
Lease liabilities		30,216	31,204	-	-
Deferred tax liabilities		440,964	456,244	-	-
		1,167,119	1,256,499	-	-
<b>Total liabilities</b>		1,468,402	1,393,902	750	466
<b>Net Assets</b>		<b>2,393,519</b>	<b>2,522,665</b>	<b>3,172,333</b>	<b>3,172,611</b>
<b>UNITHOLDERS' FUNDS</b>					
Units in issue	13	3,117,178	3,117,178	3,117,178	3,117,178
(Accumulated deficits)/Retained earnings		(728,865)	(616,510)	55,155	55,433
Hedging reserves		5,206	21,997	-	-
<b>Total Unitholders' funds</b>		<b>2,393,519</b>	<b>2,522,665</b>	<b>3,172,333</b>	<b>3,172,611</b>

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

**INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (GROUP)**

	<b>Group</b>			
	<b>H2 FY25</b> \$'000 (Unaudited)	<b>H2 FY24</b> \$'000 (Unaudited)	<b>FY25</b> \$'000 (Audited)	<b>FY24</b> \$'000 (Audited)
<b>Units in issue at the beginning and end of the period/ year</b>	3,117,178	3,117,178	3,117,178	3,117,178
<b>Accumulated deficits at the beginning of period/ year</b>	(671,290)	(563,564)	(616,510)	(514,348)
Profit for the period/ year	46,864	50,324	95,354	103,209
Distribution paid, representing transaction with Unitholders, recognised directly in Unitholders' funds	(104,439)	(103,270)	(207,709)	(205,371)
<b>Accumulated deficits at the end of period/ year</b>	<u>(728,865)</u>	<u>(616,510)</u>	<u>(728,865)</u>	<u>(616,510)</u>
<b>Hedging reserves at the beginning of period/ year</b>	9,295	30,227	21,997	29,001
Other comprehensive loss for the period/ year	(4,089)	(8,230)	(16,791)	(7,004)
<b>Hedging reserves at the end of period/ year</b>	<u>5,206</u>	<u>21,997</u>	<u>5,206</u>	<u>21,997</u>
<b>Total</b>	<u>2,393,519</u>	<u>2,522,665</u>	<u>2,393,519</u>	<u>2,522,665</u>

**INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (TRUST)**

	<b>Trust</b>			
	<b>H2 FY25</b> \$'000 (Unaudited)	<b>H2 FY24</b> \$'000 (Unaudited)	<b>FY25</b> \$'000 (Audited)	<b>FY24</b> \$'000 (Audited)
<b>Units in issue at the beginning and end of the period/ year</b>	3,117,178	3,117,178	3,117,178	3,117,178
<b>Retained earnings at the beginning of period/ year</b>	55,709	55,593	55,433	56,418
Profit for the period/ year	103,885	103,110	207,431	204,386
Distribution paid, representing transaction with Unitholders, recognised directly in Unitholders' funds	(104,439)	(103,270)	(207,709)	(205,371)
<b>Retained earnings at the end of period/ year</b>	<u>55,155</u>	<u>55,433</u>	<u>55,155</u>	<u>55,433</u>
<b>Total</b>	<u>3,172,333</u>	<u>3,172,611</u>	<u>3,172,333</u>	<u>3,172,611</u>

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Group	H2 FY25 \$'000 (Unaudited)	H2 FY24 \$'000 (Unaudited)	FY25 \$'000 (Audited)	FY24 \$'000 (Audited)
<b>Operating activities</b>				
Profit before income tax	45,135	47,618	92,118	101,066
Adjustments for:				
- Depreciation and amortisation	90,072	86,502	177,565	172,928
- Impairment losses on/(Reversal of) trade receivables	13	(8)	(27)	3
- Provision for stock obsolescence	64	162	215	254
- Finance costs	11,366	10,832	22,595	21,752
- Interest income	(1,976)	(1,671)	(4,165)	(3,347)
- Loss/(Gain) on disposal of property, plant and equipment	5	-	-	(1,123)
- Property, plant and equipment disposal/written off	1,233	8,789	3,178	8,837
- Share-based payment expenses	1,262	168	1,542	720
<b>Operating cash flows before working capital changes</b>	<b>147,174</b>	<b>152,392</b>	<b>293,021</b>	<b>301,090</b>
Changes in working capital:				
- Trade and other receivables	5,407	10,386	5,642	13,536
- Contract assets	(298)	1,010	(2,074)	1,817
- Trade and other payables	(4,608)	(7,651)	7,766	(3,280)
- Deferred revenue	8,941	(274)	12,407	672
- Inventories	1,543	548	1,015	2,177
<b>Cash generated from operations</b>	<b>158,159</b>	<b>156,411</b>	<b>317,777</b>	<b>316,012</b>
Interest received	1,936	1,105	3,845	3,320
Interest paid	(10,280)	(9,915)	(20,716)	(19,791)
Income tax paid	(36,409)	(12,897)	(42,199)	(10,929)
<b>Net cash generated from operating activities</b>	<b>113,406</b>	<b>134,704</b>	<b>258,707</b>	<b>288,612</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment (Note A)	(58,627)	(50,635)	(134,760)	(124,285)
Purchase of intangible assets (Note A)	(6,393)	(4,548)	(8,918)	(8,033)
Proceeds from disposal of property, plant and equipment	20	-	25	4,688
<b>Net cash used in investing activities</b>	<b>(65,000)</b>	<b>(55,183)</b>	<b>(143,653)</b>	<b>(127,630)</b>
<b>Financing activities</b>				
Payment of loan arrangement fee	(15)	(15)	(60)	(75)
Repayment of lease liabilities	(1,849)	(1,700)	(3,624)	(3,326)
Distribution paid	(104,439)	(103,270)	(207,709)	(205,371)
Proceeds from bank loan	46,000	30,000	91,000	30,000
<b>Net cash used in financing activities</b>	<b>(60,303)</b>	<b>(74,985)</b>	<b>(120,393)</b>	<b>(178,772)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(11,897)</b>	<b>4,536</b>	<b>(5,339)</b>	<b>(17,790)</b>
Cash and cash equivalents at beginning of financial period/ year	189,472	178,378	182,914	200,704
<b>Cash and cash equivalents at end of financial period/ year</b>	<b>177,575</b>	<b>182,914</b>	<b>177,575</b>	<b>182,914</b>

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## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Group	H2 FY25 \$'000 (Unaudited)	H2 FY24 \$'000 (Unaudited)	FY25 \$'000 (Audited)	FY24 \$'000 (Audited)
<b>Cash and cash equivalents consist of:</b>				
Cash and bank balances	175,366	182,914	175,366	182,914
Capital expenditure reserve fund <sup>(a)</sup>	2,209	-	2,209	-
<b>Cash and cash equivalents at end of financial period/ year</b>	<b>177,575</b>	<b>182,914</b>	<b>177,575</b>	<b>182,914</b>
<b>NOTE A</b>				
Purchase of property, plant, and equipment	58,064	53,921	141,697	121,707
Less: Accruals for property, plant and equipment at end of financial period/year	(16,163)	(9,226)	(16,163)	(9,226)
Add: Payment of accruals for property, plant and equipment at beginning of financial period/year	16,726	5,940	9,226	11,804
	<u>58,627</u>	<u>50,635</u>	<u>134,760</u>	<u>124,285</u>
Purchase of intangible assets	6,404	4,548	8,590	7,385
Less: Accruals for intangibles assets at end of financial period/year	(273)	(601)	(273)	(601)
Add: Payment of intangible assets at beginning of financial period/year	262	601	601	1,249
	<u>6,393</u>	<u>4,548</u>	<u>8,918</u>	<u>8,033</u>

- (a) The Capital Expenditure Reserve Fund ("Capex Reserve Fund") comprises monies set aside each year, amounting to at least 20% of the total fund, which will cumulate to \$40.0 million over the five-year period from 1 January 2024 to 31 December 2028. This reserve is established to meet IMDA's regulatory requirements for new network infrastructure projects that enhance the capacity, technology, capability or resilience of NLT's network. As at 31 March 2025, NLT had set aside \$10.0 million in the Capex Reserve Fund, of which approximately \$7.8 million had been utilised to expand network capacity.

## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

### **SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS**

#### **1. CORPORATE INFORMATION**

NetLink NBN Trust (the “Trust”) was constituted by a trust deed dated 19 Jun 2017 (as amended and restated by the Amending and Restating Deed dated 25 Jul 2018, 28 Sep 2020, 19 Jul 2021 and 20 Jul 2022) (collectively, the “Trust Deed”). It was registered as a business trust with the Monetary Authority of Singapore on 29 Jun 2017. The Trust is regulated by the Business Trusts Act 2004 and is domiciled in Singapore. The Trust was listed on the Main Board of the Singapore Exchange Securities Trading Limited on 19 Jul 2017.

Under the Trust Deed, NetLink NBN Management Pte. Ltd. (the “Trustee-Manager”) has declared that it shall hold the authorised business on trust for the Unitholders as the Trustee-Manager of the Trust. The registered address of the Trustee-Manager is at 750E Chai Chee Road, #07-03, ESR BizPark @ Chai Chee, Singapore 469005.

The principal activities of the Trust are that of investment holding.

#### **2. BASIS OF PREPARATION**

The interim financial statements for the six months ended 31 Mar 2025 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 Mar 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The consolidated interim financial statements are presented in Singapore dollar. All financial information presented in Singapore dollar have been rounded to the nearest thousand, unless otherwise stated.

##### **2.1. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### 2. BASIS OF PREPARATION (CONT'D)

#### 2.2. USE OF JUDGEMENTS AND ESTIMATES

In preparing the consolidated interim financial statements, the Trustee-Manager has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the Trustee-Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 Mar 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements and key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are:

##### **(a) Impairment reviews on goodwill and investment in subsidiaries**

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. In making this judgement, the Group evaluates the value in use which is supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections which have been discounted at an appropriate rate. Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

##### **(b) Estimated useful life of property, plant and equipment**

The Group reviews annually the estimated useful life of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful life of property, plant and equipment would decrease the net profit and decrease the carrying value of property, plant and equipment.

### 3. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### 4. SEGMENT INFORMATION

The chief operating decision maker has been determined as the Chief Executive Officer of NetLink Group. The Chief Executive Officer reviews the internal management reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

As NetLink Group is principally engaged in the provision of ducts and manholes, central offices and space in central offices and fibre related services in Singapore, management considers that NetLink Group operates in one single business and geographical segment.

	Financial Year		Variance %
	FY25 \$'000 (Unaudited)	FY24 \$'000 (Unaudited)	
(a) Revenue reported for first half year	204,844	205,316	(0.2)
(b) Profit after tax reported for first half year	48,490	52,885	(8.3)
(c) Revenue reported for second half year	202,152	205,960	(1.8)
(d) Profit after tax reported for second half year	46,864	50,324	(6.9)

### 5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 Mar 2024 and 31 Mar 2025.

	Group		Trust	
	As at 31 Mar 2025 \$'000 (Audited)	As at 31 Mar 2024 \$'000 (Audited)	As at 31 Mar 2025 \$'000 (Audited)	As at 31 Mar 2024 \$'000 (Audited)
<b>Financial Assets</b>				
Financial assets at amortised cost	303,488	313,728	1,159,116	1,159,248
Derivative instruments:				
Designated in hedge accounting relationships	6,194	21,997	-	-
	<u>309,682</u>	<u>335,725</u>	<u>1,159,116</u>	<u>1,159,248</u>
<b>Financial Liabilities</b>				
Financial liabilities at amortised cost	926,000	818,230	655	397
Lease liabilities	32,250	33,477	-	-
Derivative instruments:				
Designated in hedge accounting relationships	988	-	-	-
	<u>959,238</u>	<u>851,707</u>	<u>655</u>	<u>397</u>

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

**6. PROFIT BEFORE TAXATION**

**6.1. OTHER INCOME**

	<b>H2 FY25</b>	<b>H2 FY24</b>	<b>FY25</b>	<b>FY24</b>
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Net gain on disposal of property, plant and equipment	-	-	-	1,123
Interest income	1,976	1,671	4,165	3,347
Grant income	92	985	103	1,832
Third party compensation <sup>(1)</sup>	753	482	1,874	870
Others <sup>(2)</sup>	1,004	1,102	1,990	2,101
	<u>3,825</u>	<u>4,240</u>	<u>8,132</u>	<u>9,273</u>

(1) Third party compensation consists mainly recovery of costs from contractors.

(2) Others mainly consist of income from Fibre Readiness Certification, Notice for Commencement of Earthworks and Plant Route Plans.

**6.2. DEPRECIATION AND AMORTISATION**

	<b>H2 FY25</b>	<b>H2 FY24</b>	<b>FY25</b>	<b>FY24</b>
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Depreciation of property, plant and equipment	84,642	82,199	168,486	164,500
Depreciation of right-of-use assets	1,590	1,471	3,120	2,798
Amortisation of intangible assets	3,840	2,832	5,959	5,630
	<u>90,072</u>	<u>86,502</u>	<u>177,565</u>	<u>172,928</u>

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

**6. PROFIT BEFORE TAXATION (CONT'D)**

**6.3. FINANCE COSTS**

	<b>H2 FY25</b>	<b>H2 FY24</b>	<b>FY25</b>	<b>FY24</b>
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Interest expense on:				
- Bank loans	14,950	16,465	31,974	32,869
- Lease liabilities	480	495	969	987
Financing related costs *	532	616	1,138	1,326
Realised gain on interest rate swaps designated in hedge accounting relationship, reclassified from hedging reserves	(4,596)	(6,744)	(11,486)	(13,430)
	<u>11,366</u>	<u>10,832</u>	<u>22,595</u>	<u>21,752</u>
Effective average interest rate <sup>1</sup>	<u>2.63%</u>	<u>2.75%</u>	<u>2.72%</u>	<u>2.75%</u>

\* Includes amortisation of transaction fees amounting to \$810,000 (2024: \$809,000)

<sup>1</sup> The interest expenses used in the computation of effective average interest rate included realised gain on interest rate swaps.

**6.4. OTHER OPERATING EXPENSES**

Other operating expenses include the following items:

	<b>H2 FY25</b>	<b>H2 FY24</b>	<b>FY25</b>	<b>FY24</b>
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Property tax	9,499	9,048	18,655	18,025
System maintenance costs	5,386	6,231	11,991	12,279
Property, plant and equipment written off	1,233	8,789	3,178	8,837
Net impairment losses on/(Reversal of) trade receivables	13	(8)	(27)	3
Provision for stock obsolescence	64	162	215	254
Net loss on disposal of property, plant and equipment	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

## 6.5. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the unaudited financial statements, the following transactions took place between NetLink Group and related parties at terms agreed between the parties during the financial period/year:

<b>Group</b>	<b>H2 FY25</b> \$'000 (Unaudited)	<b>H2 FY24</b> \$'000 (Unaudited)	<b>FY25</b> \$'000 (Audited)	<b>FY24</b> \$'000 (Audited)
Services rendered to a substantial Unitholder	83,687	82,071	170,472	164,532
Services rendered to subsidiaries of a substantial shareholder of the substantial Unitholder	65,142	65,622	132,050	130,438
Refund received from purchase of services from a substantial Unitholder	-	5,172	-	5,172
Sales of fixed assets to a substantial Unitholder	-	-	-	4,688
Purchase of services from a substantial Unitholder	3,006	1,227	5,891	4,217
Purchase of fixed assets from a substantial Unitholder	175	2,033	175	33,525
Management fee paid or payable to Trustee-Manager of the Trust	587	521	1,118	1,031
Purchase of services from subsidiaries of a substantial shareholder of the substantial Unitholder	2,305	1,644	4,790	3,340
Purchase of fixed assets from subsidiaries of a substantial shareholder of the substantial Unitholder	55	13	142	96
Purchase of intangible assets from subsidiaries of a substantial shareholder of the substantial Unitholder	41	-	41	-
Purchases of goods from subsidiaries of the substantial Unitholder	-	11	-	11

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### 7. INCOME TAX CREDIT

NetLink Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of profit or loss are:

	H2 FY25	H2 FY24	FY25	FY24
	\$'000	\$'000	\$'000	\$'000
Group	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<u>Income tax is made up of:</u>				
-Current income tax expense	(1,979)	(3,673)	(12,798)	(11,807)
-Overprovision of current income tax in prior year	189	1,521	754	1,362
	<u>(1,790)</u>	<u>(2,152)</u>	<u>(12,044)</u>	<u>(10,445)</u>
- Deferred income tax due to origination and reversal of temporary differences	3,570	4,622	15,818	13,151
- (Under)/over provision of deferred income tax in prior year	(51)	236	(538)	(563)
	<u>(51)</u>	<u>236</u>	<u>(538)</u>	<u>(563)</u>
Income tax credit recognised in profit or loss	<u>1,729</u>	<u>2,706</u>	<u>3,236</u>	<u>2,143</u>

The reconciliation between tax credit and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period is as follows:

	H2 FY25	H2 FY24	FY25	FY24
	\$'000	\$'000	\$'000	\$'000
Group	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Profit before income tax	<u>45,135</u>	<u>47,618</u>	<u>92,118</u>	<u>101,066</u>
Income tax expense calculated at a tax rate of 17%	(7,673)	(8,095)	(15,660)	(17,181)
Effect of:				
- Income not subject to taxation	-	(815)	-	310
- Expenses not deductible for tax purposes	(527)	167	(990)	(1,357)
- Tax relief and tax rebate	-	(17)	35	35
- Tax benefit on the tax exempted interest income derived from qualifying project debt securities <sup>(1)</sup>	9,791	9,817	19,635	19,635
- Overprovision in prior year	138	1,757	216	799
- Others	-	(108)	-	(98)
	<u>1,729</u>	<u>2,706</u>	<u>3,236</u>	<u>2,143</u>
Tax credit attributable to current period's profit	<u>1,729</u>	<u>2,706</u>	<u>3,236</u>	<u>2,143</u>

(1) – Relates to the tax benefit on the tax exempted interest income on the \$1.1 billion in principal amount of subordinated notes due in year 2037 issued by NLT to NetLink Group, which are qualifying project debt securities ("QPDS").

## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

### **8. FINANCE LEASE RECEIVABLES**

NetLink Group's finance lease arrangements do not include variable payments.

The finance lease receivables relate to the lease agreements on the land and building between a subsidiary and the substantial Unitholder in relation to the space occupied by the substantial Unitholder in the Central Office buildings owned by the subsidiary.

The interest rate inherent in the leases is fixed at the contract date for the duration of the lease terms. The average effective interest rate contracted is approximately 6.2% (31 Mar 2024: 6.2%).

### **9. FAIR VALUE MEASUREMENTS**

NetLink Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) (Level 3).

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

**9. FAIR VALUE MEASUREMENTS (CONT'D)**

The following tables present the assets and liabilities measured at fair value as at the following balance sheet dates:

<b>Group</b>				
<b>31 Mar 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
(Audited)	\$'000	\$'000	\$'000	\$'000
<b>Financial assets, Current</b>				
Derivative financial instruments	-	6,194	-	6,194
<b>Financial Liabilities, Non-Current</b>				
Derivative financial instruments	-	988	-	988

<b>Group</b>				
<b>31 Mar 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
(Audited)	\$'000	\$'000	\$'000	\$'000
<b>Financial assets, Non-Current</b>				
Derivative financial instruments	-	21,997	-	21,997

NetLink Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. The Group currently has \$856.0 million (31 Mar 2024: \$765.0 million) bank loans outstanding and has entered into a series of SORA-based interest rate swaps to convert the variable interest rates on its bank loan into fixed interest rates for a total notional principal amount of \$600.0 million (31 Mar 2024: \$600.0 million). Accordingly, 70.1% (31 Mar 2024: 78.4%) of the interest in respect of the outstanding amounts under the Group's existing bank loans has been hedged.

**10. PROPERTY, PLANT AND EQUIPMENT**

During the financial year ended 31 Mar 2025, the Group acquired assets amounting to \$141.7 million (FY24: \$121.7 million), wrote off assets with carrying value amounting to \$3.2 million (FY24: \$8.8 million) and disposed assets with carrying value amounting to \$25,000 (FY24 \$3.6 million).

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### 11. GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets comprise goodwill, licence and software development costs.

	31 Mar 2025	31 Mar 2024
	\$'000	\$'000
Group	(Audited)	(Audited)
Goodwill	746,854	746,854
Licence	63,136	67,374
Software development costs	37,877	31,750
	<u>847,867</u>	<u>845,978</u>

Goodwill arose in the acquisition of NLT because the consideration paid effectively included amounts in relation to the benefits of expected revenue growth which do not meet the recognition criteria for separate intangible assets.

NetLink Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. There is only one cash-generating unit and management considers that the Group operates in one single business unit.

The recoverable amount of the cash-generating unit is determined from value in use calculations. The key assumptions for the value in use calculations are the discount rate and the expected cash flows. The long-term cash flow forecasts are based on revenue, operating and capital expenditure assumptions which are mainly driven by growth rates and operating margins.

NetLink Group prepares cash flow forecasts which are derived from the most recent financial budget approved by the Board. The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital ("WACC") where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

The WACC used to discount the cash flows is 4.35% (2024: 4.89%). The time period used of 9 years (2024: 10 years) is in line with the license period granted by IMDA. The terminal growth rates used of 1.5% (2024: 1.5%) does not exceed the long-term average growth rates of the industry in which the Group operates.

As at 31 Mar 2025, any reasonably possible change to the key assumptions applied are not likely to cause the recoverable amounts to be below the carrying amounts of the cash-generating unit.

## 12. GROUP'S BORROWINGS AND DEBT SECURITY

		<b>Group</b>	
		<b>As at 31 Mar 2025</b>	<b>As at 31 Mar 2024</b>
		\$'000	\$'000
		(Audited)	(Audited)
<b>Unsecured borrowings</b>			
Repayable before one year			
- Bank loans (unsecured)		165,855	-
Repayable after one year			
- Bank loans (unsecured)		689,079	763,124
<b>Committed revolving credit facility ("RCF") and term loan</b>			
		<b>Utilised As at 31 Mar 2025</b>	<b>Utilised As at 31 Mar 2024</b>
		\$'000	\$'000
<b>Commencement Date</b>	<b>Terms</b>	(Audited)	(Audited)
- 21 May 2021	\$510 million Five-Year Term Loan	510,000	510,000
-15 Sep 2022 <sup>(1)</sup>	\$180 million Five-Year Term Loan	180,000	180,000
- 15 Sep 2022 <sup>(1)(2)</sup>	\$90 million Three-Year RCF	90,000	45,000
- 31 Mar 2023 <sup>(1)(3)</sup>	\$120 million Three-Year RCF	76,000	30,000
		856,000	765,000
	Transaction costs	(1,066)	(1,876)
		854,934	763,124

(1) These are sustainability-linked facilities where the margin of the facilities will be reduced if the sustainability performance targets are met during the observation period.

(2) \$45.0 million was drawn from the \$90.0 million Three-Year RCF during the financial year to fund capital expenditure.

(3) \$46.0 million was drawn from the \$120.0 million Three-Year RCF during the financial year to fund capital expenditure.

(4) As of 31 Mar 2025, the Group has access to short-term bank facility of up to \$50 million. The terms of the facility are subject to negotiation and agreement at the time of utilisation. As of the reporting date, no amounts have been drawn under this facility.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
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**13. UNITS IN ISSUE**

	As at 31 Mar 2025 Number of units	As at 31 Mar 2024 Number of units	As at 31 Mar 2025 Units in issue \$'000	As at 31 Mar 2024 Units in issue \$'000
<b>Group and Trust</b>	(Audited)	(Audited)	(Audited)	(Audited)
Balance as at beginning of year and at end of year	3,896,971,100	3,896,971,100	3,117,178	3,117,178

All issued units are fully paid and rank *pari passu* in all respects.

**14. NET ASSET VALUE**

	Group		Trust	
	As at 31 Mar 2025 (Audited)	As at 31 Mar 2024 (Audited)	As at 31 Mar 2025 (Audited)	As at 31 Mar 2024 (Audited)
NAV per unit based on issued units at the end of year (cents)	61.4	64.7	81.4	81.4

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
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**15. DISTRIBUTIONS**

(a) Current Financial Period Reported on

Amount	:	\$104,438,825
Distribution Period	:	1 Oct 2024 to 31 Mar 2025
Distribution Rate	:	2.68 Singapore cents per unit
Tax Rate	:	Cash distributions to Unitholders are exempt from Singapore income tax.

(b) Date Payable : 11 Jun 2025

(c) Corresponding Period of the Immediately Preceding Financial Year

Amount	:	\$103,269,734
Distribution Period	:	1 Oct 2023 to 31 Mar 2024
Distribution Rate	:	2.65 Singapore cents per unit
Tax Rate	:	Cash distributions to Unitholders are exempt from Singapore income tax.

Notice is hereby given that the Unit Transfer Books and Register of Unitholders of the Trust will be closed at 5.00 p.m. on 29 May 2025 for the purposes of determining each Unitholder's entitlement to the distribution. Duly completed registrable transfer in respect of Units in the capital of the trust received by the Unit Registrar, Boardroom Corporation & Advisory Services Pte Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632, up to 5.00 p.m. on 29 May 2025 will be registered to determine Unitholders' entitlement to the distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with Units at 5.00 p.m. on 29 May 2025 will be entitled to the distribution to be paid on 11 Jun 2025. \$104,438,825 or 2.68 Singapore cents per Unit was declared for the Trust's distribution period for the half year ended 30 Sep 2024, which was paid on 29 Nov 2024. The distribution to Unitholders is exempted from Singapore Income tax.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### 16. SUBSEQUENT EVENTS

Subsequent to the end of reporting period,

- a) the Trustee-Manager approved a distribution of \$104,438,825 or 2.68 Singapore cents per unit in respect of financial period from 1 Oct 2024 to 31 Mar 2025.
- b) the Group obtained additional \$130.0 million short-term uncommitted facilities from banks.
- c) the Group entered into a fixed interest rate swap of \$90.0 million for the period from Jun 2025 to Jun 2027.

### 17. COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follow:

	Group		Trust	
	As at 31 Mar 2025 \$'000 (Audited)	As at 31 Mar 2024 \$'000 (Audited)	As at 31 Mar 2025 \$'000 (Audited)	As at 31 Mar 2024 \$'000 (Audited)
Property plant and equipment	78,158	91,045	-	-
Intangible assets	18,093	18,575	-	-

The committed capital expenditure primarily relates to network construction costs, software development costs, and Smart Nation 2.0 ("SN 2.0") projects.

### 18. OTHER INFORMATION

The statements of financial position as at 31 Mar 2025 and the consolidated statement of profit or loss and other comprehensive income, statements of changes in Unitholders' fund and consolidated statement of cash flows for the financial year ended 31 Mar 2025 presented in this announcement have been audited in accordance with the Singapore Standard on Auditing (see auditor's report on Page 31 to Page 35 of this announcement).

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### 19. REVIEW OF PERFORMANCE VARIANCE

	H2 FY25 \$'000 (Unaudited)	H2 FY24 \$'000 (Unaudited)	Variance (%)	FY25 \$'000 (Audited)	FY24 \$'000 (Audited)	Variance (%)
<b>RAB revenue:</b>						
Residential connections	123,035	124,232	(1.0)	246,357	247,542	(0.5)
Non-residential connections	17,018	16,946	0.4	33,942	33,452	1.5
NBAP and Segment connections	9,252	10,061	(8.0)	18,807	19,582	(4.0)
Ducts and manholes service revenue	12,867	13,451	(4.3)	26,090	27,007	(3.4)
Co-location revenue	10,491	10,044	4.5	20,880	19,896	4.9
<b>Total RAB Revenue <sup>(1)</sup></b>	<b>172,663</b>	<b>174,734</b>	<b>(1.2)</b>	<b>346,076</b>	<b>347,479</b>	<b>(0.4)</b>
<b>Non-RAB revenue:</b>						
Installation-related and other revenue	13,368	12,278	8.9	27,632	25,142	9.9
Ancillary project revenue	8,442	11,617	(27.3)	16,645	22,881	(27.3)
Central Office revenue	7,679	7,331	4.7	16,643	15,774	5.5
<b>Total Non-RAB Revenue</b>	<b>29,489</b>	<b>31,226</b>	<b>(5.6)</b>	<b>60,920</b>	<b>63,797</b>	<b>(4.5)</b>
<b>Total Revenue</b>	<b>202,152</b>	<b>205,960</b>	<b>(1.8)</b>	<b>406,996</b>	<b>411,276</b>	<b>(1.0)</b>

(1) These services are subject to IMDA's price review framework.

#### **H2 FY25 vs H2 FY24**

The Group reported total revenue of \$202.2 million for H2 FY25, reflecting a decrease of \$3.8 million, or 1.8% compared to H2 FY24. The decline was primarily due to a \$3.2 million reduction in ancillary project revenue from fewer work orders. The availability of project opportunities fluctuates from year to year. Connections revenue (including Residential, Non-Residential, NBAP and Segment) declined by \$1.9 million following a decrease in the MRC. The impact from lower MRC was partially offset by the growth in connection numbers.

Co-location revenue increased by \$0.4 million from higher demand for rack space rentals. Central office revenue increased by \$0.3 million due to the recovery of higher maintenance costs incurred at central offices. Installation and other revenue increased by \$1.1 million, driven primarily by a higher volume of residential service activations in line with the increase in connection orders. Other revenue also rose due to higher cancellation and premature termination charges.

## **19. REVIEW OF PERFORMANCE VARIANCE (CONT'D)**

### **H2 FY25 vs H2 FY24**

Total expenses for H2 FY25 decreased by \$1.7 million.

Ancillary project direct costs were \$3.5 million lower in line with lower ancillary project revenue. Staff costs decreased by \$2.7 million, driven by higher capitalisation of labour costs in network assets projects, partially offset by higher gross salary. Other operating expenses decreased by \$7.5 million, attributable to lower amount of write-off of decommissioned network assets being recognised in H2 FY25, totaling \$1.2 million compared to \$8.8 million in H2 FY24.

Operations and maintenance costs increased by \$6.1 million, reflecting the absence of a one-off reversal of \$6.2 million costs recorded in H2 FY24 relating to power charges following a dispute settlement. Excluding this one-off item, operations and maintenance costs remained broadly stable. Installation costs rose by \$1.7 million due to higher volumes of residential connection orders. Depreciation and amortisation expenses increased by \$3.6 million, in line with continued network assets expansion. Finance costs were \$0.5 million higher, despite a slightly lower average interest rate, largely due to a \$46.0 million loan drawdown during the period.

Income tax credit of \$1.7 million was recorded in H2 FY25 and as compared to \$2.7 million in H2 FY24. The decrease was due to a reversal of current and deferred tax expenses in H2 FY24 from finalisation of tax assessments for prior periods.

The Group achieved a profit after tax of \$46.9 million for H2 FY25.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### 19. REVIEW OF PERFORMANCE VARIANCE (CONT'D)

#### FY25 vs FY24

The Group reported total revenue of \$407.0 million for FY25, representing a 1.0% decrease compared to FY24. The decline was primarily due to a \$6.2 million reduction in ancillary project revenue from fewer work orders. The availability of project opportunities fluctuates from year to year. Connections revenue (including Residential, Non-Residential, NBAP and Segment) declined by \$1.5 million following a decrease in the MRC. The impact from lower MRC was largely offset by the growth in connection numbers.

Co-location revenue increased by \$1.0 million from higher demand for rack space rentals. Central office revenue increased by \$0.9 million due to the recovery of higher maintenance costs incurred at central offices. Installation-related and other revenue increase of \$2.5 million, driven primarily by a higher volume of residential service activations in line with the increase in connection orders. Other revenue also rose due to higher cancellation and premature termination charges.

Other income declined by \$1.1 million, mainly due to the absence of a one-off gain from disposal of asset in FY24.

Total expenses for FY25 increased by \$3.5 million compared to FY24. Operations and maintenance costs increased by \$6.7 million, reflecting the absence of a one-off reversal of \$6.2 million costs recorded in FY24 relating to power charges following a dispute settlement. Excluding this one-off item, operations and maintenance costs remained broadly stable. Installation costs rose by \$4.3 million due to a higher volume of residential connection orders. Depreciation and amortisation increased by \$4.6 million, in line with continued network assets expansion. Finance costs were \$0.8 million higher, despite a slightly lower average interest rate, largely due to a \$91.0 million loan drawdown during the year.

Ancillary project direct costs were \$6.8 million lower in line with lower ancillary project revenue. Staff costs decreased by \$1.9 million driven by higher capitalisation of labour costs in network assets projects, partially offset by higher gross salary. Other operating expenses decreased by \$4.2 million, attributable to a lower amount of write-off of decommissioned network assets recognised in FY25, totalling \$3.2 million compared to \$8.8 million in FY24.

Income tax credit of \$3.2 million was recorded in FY25 as compared to \$2.1 million in FY24. This was aligned with the lower profit before tax as compared to FY24.

The Group achieved a profit after tax of \$95.4 million for FY25.

## **19. REVIEW OF PERFORMANCE VARIANCE (CONT'D)**

### **REVIEW OF PERFORMANCE – INTERIM STATEMENTS OF CASH FLOWS**

The Group reported net cash from operating activities of \$113.4 million in H2 FY25 and \$258.7 million for FY25, representing decreases of \$21.3 million and \$29.9 million as compared with H2 FY24 and FY24 respectively. The decline was primary driven by higher tax payments, partially offset by positive working capital movements.

Net cash used in investing activities totaled \$65.0 million in H2 FY25 and \$143.7 million for FY25, representing increases of \$9.8 million and \$16.0 million as compared with H2 FY24 and FY24 respectively. This increase reflects higher capital expenditures, primarily associated with network asset enhancements and the construction of a new Central Office.

Net cash used in financing activities totaled \$60.3 million in H2 FY25 and \$120.4 million for FY25, representing decreases of \$14.7 million and \$58.4 million as compared with H2 FY24 and FY24 respectively. The decrease was driven by an increase in drawdown of loan facilities, partially offset by higher distribution payment during the period and year.

### **REVIEW OF PERFORMANCE – INTERIM STATEMENTS OF FINANCIAL POSITION**

As at 31 March 2025, the Group reported total assets of \$3,861.9 million, representing a decrease of \$54.6 million compared to \$3,916.6 million as at 31 March 2024.

The decline was mainly attributed to the depreciation of property, plant and equipment and derivative financial instruments. Derivative financial instruments comprising interest rate swaps decreased by \$15.8 million, mainly due to interest payments made and lower market interest rate expectations.

The Group's total liabilities amounted to \$1,468.4 million as at 31 March 2025, seeing an increase of \$74.5 million compared to the previous year. This was mainly attributable to \$91.0 million in proceeds from bank loans. This was partially offset by lower current and deferred tax liabilities, reflecting tax paid in FY25 and reversal of deferred tax liability.

Total Unitholders' funds stood at \$2,393.5 million as at 31 March 2025, down from \$2,522.7 million in the prior year. The reduction was mainly due to distributions paid in Jun and Nov 2024 and lower hedging reserves. These effects were partially offset by the profit after tax for FY25.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### 20. OUTLOOK AND PROSPECT

The global political and economic environment remains volatile, marked by trade tensions and continuing geopolitical uncertainties. While interest rates and inflation in Singapore have shown signs of easing, risks to economic growth are present.

NetLink's resilient business model, underpinned by regulated price certainty for the next four years under the revised Interconnection Offer (ICO) framework, continues to provide stable revenue and operating cash flow amidst external uncertainties. Backed by a strong balance sheet and disciplined capital management, the Group is well-positioned to fund ongoing operations and future capital expenditure. The Group has substantially hedged its interest rate exposure, further enhancing financial stability in a dynamic macroeconomic environment.

The Group continues to invest prudently in expanding and enhancing its nationwide fibre infrastructure to meet growing demand across residential, non-residential, Non-Building Address Point (NBAP), and Segment connections. These strategic investments contribute to the growth of NetLink's Regulated Asset Base, supporting long-term, sustainable returns.

Singapore's launch of Smart Nation 2.0 in October 2024 marks a significant step in advancing its digital future, with a focus on trust, growth, and community. As the backbone of Singapore's Nationwide Broadband Network (NBN), NetLink is well-positioned to play a pivotal role in supporting this vision. The Government's commitment to upgrading broadband speeds to 10Gbps by 2026 further underscores the critical importance of robust fibre infrastructure. NetLink will continue to collaborate with government agencies and industry partners to enable digital transformation, innovation, and inclusion.

In addition to strengthening its core network, NetLink continues to explore investment opportunities in telecommunications and infrastructure-related businesses where such opportunities align with its strategic objectives and risk appetite.

Looking ahead, while external headwinds persist, NetLink remain focused on delivering operational excellence, supporting Singapore's digital ambitions, and maintaining sustainable distributions to unitholders. The Group's commitment to robust governance, prudent financial management, and long-term sustainability positions it well to navigate challenges and capture opportunities in an increasingly digital world.

Certain statements in this document constitute "forward-looking statements." All statements other than statements of historical facts, including those regarding future financial position and results, business strategy, plans and objectives for future operations (including development plans and distributions) and statements on future growth, are forward-looking statements. As these forward-looking statements concern future events, they necessarily involve risks, uncertainties and assumptions, including assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate, and involve known and unknown risks, uncertainties and other factors – including without limitation developments in the economic environment, changes in market conditions, laws or regulations and the regulatory environment in which the Group operates, regulatory review of the prices for services provided by the Group, changes in interest rates or rates of inflation, other factors beyond the Group's control, and other matters not yet known to the Group. Actual results, performance or achievements of the Group could differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements.

**NETLINK NBN TRUST AND ITS SUBSIDIARIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

**21. INTERESTED PERSON TRANSACTION (“IPT”)**

The Group has not obtained a general mandate from Unitholders of the Trust for IPTs. During the financial period, the following IPTs were entered into by the Group:

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions of less than \$100,000)		Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions of less than \$100,000)	
		H2 FY25 \$'000 (Unaudited)	FY25 \$'000 (Audited)	H2 FY25 \$'000 (Unaudited)	FY25 \$'000 (Audited)
NetLink NBN Management Pte. Ltd.	Trustee-Manager of NetLink NBN Trust				
- Management fees <sup>(1)</sup>		450	900	-	-
- Reimbursement of expenses		137	218	-	-

(1) Management fees paid to Trustee-Management of NetLink NBN Trust mainly pertain to Directors' fees.

**22. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)**

The Trustee-Manager has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**23. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL UNITHOLDER**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in the Trust or any of its subsidiaries is a relative of a director or chief executive officer or substantial unitholder of the Trust.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### “INDEPENDENT AUDITOR’S REPORT TO THE UNITHOLDERS OF NETLINK NBN TRUST

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### Opinion

We have audited the financial statements of NetLink NBN Trust (the “Trust”) and its subsidiaries (the “NetLink Group”) which comprises the consolidated statement of financial position of the NetLink Group and the statement of financial position of the Trust as at 31 March 2025 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in Unitholders’ funds and consolidated cash flow statement of the NetLink Group and the statement of changes in Unitholders’ funds of the Trust for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements of the NetLink Group and the statement of financial position and statement of changes in Unitholders’ funds of the Trust are properly drawn up in accordance with the provisions of the Business Trusts Act 2004 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the NetLink Group and the financial position of the Trust as at 31 March 2025 and of the consolidated financial performance, consolidated changes in Unitholders’ funds and consolidated cash flows of the NetLink Group and changes in Unitholders’ funds of the Trust for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the NetLink Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of these matters.

## NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

### Key Audit Matters

### How the matter was addressed in the audit

#### Goodwill Impairment Review

Under SFRS(I) 1-36 *Impairment of Assets*, the Group is required to test goodwill for impairment at least annually or earlier when there is indication of impairment. This assessment requires the exercise of significant judgement about future market conditions, including discount and long-term growth rates.

As at 31 Mar 2025, the carrying amount of the goodwill recorded on acquisition of NetLink Trust amounted to \$746.9 million, constituting approximately 19.3% of the Group's total assets.

The key assumptions to the impairment test and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 16 to the financial statements.

We obtained an understanding of the design and tested the implementation of the NetLink Group's relevant key controls relating to the assessment of impairment on goodwill.

We involved our valuation specialists to develop an independent view of the key assumptions driving the value-in-use calculation, in particular the discount and long-term growth rates, and comparing the independent expectations to those used by management.

We challenged the reasonableness of the cash flow forecasts used by management, with comparison to historical actual performance and accuracy of management forecast in prior years and performed sensitivity analysis of the key inputs and assumptions.

We further compared the market capitalisation of the Trust against NetLink Group's equity value as at year end to assess for any impairment.

Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations, and have also assessed and validated that the disclosures made in the financial statements are adequate and appropriate.

## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Trustee-Manager is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Trustee-Manager and take appropriate action in accordance with SSAs.

### **Responsibilities of the Trustee-Manager and Directors of the Trustee-Manager for the Financial Statements**

The Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the property of the Trust are safeguarded against loss from unauthorised use or disposition; and transactions by the Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the Trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the NetLink Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the NetLink Group or to cease operations, or has no realistic alternative but to do so.

The directors of the Trustee-Manager's responsibilities include overseeing the NetLink Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NetLink Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NetLink Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NetLink Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the NetLink Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# NetLinkNBN

*the fibre of a smart nation*

## **NETLINK NBN TRUST AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager of the Trust have been properly kept in accordance with provisions of the Act.

The engagement partner on the audit resulting in this Independent Auditor's Report is Mr Shariq Barmaky.

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
Singapore

Date: 15 May 2025"