

28 September 2021

The Manager  
Market Announcements Office  
Australian Stock Exchange

**ELECTRONIC LODGEMENT**

Dear Sir or Madam

**Tuas Limited: Financial Results Commentary**

In accordance with the Listing Rules of the Australian Securities Exchange, Tuas Limited (ASX: TUA) encloses for immediate release the Financial Results Commentary concerning the period 11 March 2020 (date of incorporation) to 31 July 2021.

Authorised for release by the Board of Tuas Limited.

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# TUAS LIMITED (ASX:TUA)

## FINANCIAL RESULTS COMMENTARY

PERIOD BETWEEN 11 MARCH 2020 and 31 JULY 2021

### **TUAS LIMITED REPORTS RESULTS FOR FIRST FINANCIAL YEAR**

### **GROWS REVENUE BY \$30M SINCE INTERIM REPORT**

### **TPG SINGAPORE TURNS EBITDA POSITIVE ON THE BACK OF INCREASING SUBSCRIBERS**

#### *Background*

Tuas Limited (**Tuas** or **Company**) was incorporated on 11 March 2020 and its first financial year ended on 31 July 2021. Accordingly, the reported financial results shown in the accompanying Appendix 4E are for an unusual period of approximately 17 months.

#### **Consolidated entity overview**

The Tuas Group consists of Tuas Limited (ASX:TUA) and its wholly owned subsidiaries, TPG Telecom Pte Limited (**TPG Singapore**), incorporated in Singapore in July 2016, and Tuas Solutions Sdn Bhd (incorporated in Malaysia, May 2020). Tuas was incorporated in Australia on 11 March 2020 in anticipation of the demerger of the Singapore operations of TPG Telecom Limited (subsequently renamed to TPG Corporation Limited) (**TPM**) resulting from the merger between TPM and Vodafone Hutchison Australia. That merger attained final court approval on 26 June 2020 with the demerger of TPG Singapore becoming effective, share ownership being transferred to Tuas, and Tuas attaining the rights to use the TPG brand in Singapore until June 2022.

TPG Singapore owns and operates a modern, national mobile network in Singapore and it is the latest mobile network operator to enter the Singapore telecommunications market.

TPG Singapore is the primary operating vehicle for Tuas and, as such, the Company has adopted the Singapore Dollar as its reporting currency. All monetary amounts in this commentary are references to Singapore Dollars.

This first financial year is for the approximately 17 month period of 11 March 2020 to 31 July 2021 and includes the approximately 13 months' results of the operations of TPG Singapore for the period 27 June 2020 to 31 July 2021.

### Financial Results

The financial results for the Company were as follows:

	S\$'000
<b>Revenue from ordinary activities</b>	34,307
<b>Net profit (loss) for the period attributable to Owners of the company</b>	(32,565)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	(2,448)
<b>Operating Cash Flow</b>	(6,035)

Revenue grew month on month throughout the reporting period to \$34.3m, representing an increase of approximately \$30m since the interim results published in October 2020.

Tuas reported an EBITDA loss for the full reporting period of \$2.4m.

However, TPG Singapore, the operational business of the Group, maintained strong subscriber and revenue growth through the reporting period and achieved positive EBITDA of \$0.9m for the 12 months to 31 July 2021. It has continued to track positively into the first quarter of FY22.

### Mobile Network Rollout

TPG Singapore has established its mobile network, having commenced building in 2017.

Four network quality conditions were set by the Infocomm Media Development Authority of Singapore at the time TPG Singapore was issued its facilities-based operator licence (FBO Licence). TPG Singapore has met three of those conditions, being outdoor coverage, in-building coverage, and coverage in road tunnels.

The final condition, required for completion before 31 December 2021, is coverage in the rail tunnels in Singapore. TPG already has coverage in all rail tunnels with the exception of the oldest and busiest rail path, the NSEW MRT Line. TPG is expected to complete its network rollout in the NSEW MRT line by the end of October 2021 and hence meet all the conditions of its FBO Licence.

### Subscriber Performance

When giving its interim financial report on 30 October 2020 for the period from 11 March to 4 September 2020, Tuas announced that TPG Singapore:

- had launched commercial services on 31 March 2020; and
- had paid subscriptions as at 4 September 2020 of about 133,000.

By 31 July 2021, about 11 months later, TPG Singapore had almost tripled its paid subscriptions to 392,000.

### Cash Flow and Capital Expenditure

The following table shows the cash acquired on the completion of the acquisition by Tuas of TPG Singapore, and the utilisation of cash during the reporting period.

From 11 March 2020 to 31 July 2021	S\$'000
Cash acquired from acquisition of TPG Singapore	56,025
Proceeds from issue of share capital	88,449
<b>Cash following acquisition of TPG Singapore (as at 26 June 2020)</b>	<b>144,474</b>
Acquisition of plant & equipment and other intangibles assets	(45,357)
Net Cash used in operating activities	(6,035)
Lease Liabilities and finance cost paid	(972)
Effect of exchange rate fluctuations	2,473
<b>Cash and Term Deposits at 31 July 2021</b>	<b>94,583</b>

The majority of the \$45m utilised for capital purchases was for mobile base station equipment and installation costs.

No dividend has been declared or paid.

### Outlook

At this early stage of its growth cycle and with a year disrupted by the global pandemic, the Company is not able to provide revenue or EBITDA guidance for the coming financial year. It is expected that TPG Singapore will continue to maintain its EBITDA positive track into FY22.

The Company expects to incur capital expenditure in the amount of approximately S\$40 million for the financial year ending 31 July 2022, excluding investment in 5G.

TPG Singapore will focus on continuing to supply good quality excellent value services to its customers in order to grow subscribers through the coming 12 months.

TPG Singapore has already acquired mmWave spectrum for localised 5G non-standalone deployments and has been approved to conduct limited commercial trials of its 5G non-standalone network using its 2.3 GHz spectrum.