

ASX Announcement



Field Solutions Holdings Limited (ASX: FSG)
ASX Limited
Company Announcements Office

2 November 2020

Q1 FY21 - Business Update

Field Solutions Holdings (ASX: FSG), Australia's leading rural, regional and remote telecommunications carrier is pleased to provide a general market update for Q1 FY21.

Highlights

- Q1 \$5.2M of total contact revenue signed (\$1.1m FY21), largest quarterly increase in sales to date under the current business
- Construction activities re-commenced after COVID-19 delays
- Launch of Government and Enterprise market division
- Launch of Business-to-Business market division
- Territory expansion with market entry in Western Australia
- Completion of onboarding and launch of business nbn™ Satellite products
- Delivery of business nbn™ Enterprise Ethernet B2B portal and APIs

As reported in our Q4 FY20 update, FSG is constructing five (5) shire-wide networks in partnership with local councils, and the Queensland State Government, and three (3) new telecommunication towers in partnership with Optus and the Australian Federal Government.

COVID-19 and associated restrictions have impacted these construction activities by disrupting supply chains and affecting the ability to access the construction sites. Despite this, we are pleased to report that FSG and its construction partners have now resumed construction activities during October 2020.

It is anticipated FSG will complete all network construction activity in FY21, with incremental revenue flows to commence as early as Q3 FY21 as additional network segments are completed.

While the unavoidable construction delays resulted in the deferral of some revenues, FSG was able to refocus efforts on fast-tracking the development and introduction of additional products and services built upon the FSG Rural network, our nbn™ product suite and the products and services acquired in FY20 from Ordnance Networks.

FSG completed its final certification with NBNco for its Business Satellite Service (BSS) Access Bandwidth Service Layer 3 (ABSL3). So that today, FSG are the first carrier in Australia to deliver all released nbn™ product offerings across Residential, Business and Wholesale markets through both our direct retail and B2B (wholesale) channels.

During Q1 FY21, FSG has developed and launched two (2) new areas of strategic market focus areas, these being:

- Government and Enterprise
- Business to Business (B2B)

Our Government and Enterprise division is focused on the delivery and expansion of high-speed, symmetric data services delivered via the FSG Rural network and business nbn™'s Enterprise Ethernet and Business Satellite services. To support this business expansion, FSG has developed a software platform which delivers an integrated, and transparent service qualification, pricing, order and service management platform for Enterprise Business, Local, State and Federal Government agencies.

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Our Business-to-Business (B2B) division is focused on the delivery of our extensive connectivity product offerings, across the FSG Rural network, nbn™ Enterprise Ethernet and Business Satellite products. These are delivered through our unique automation platform, to provide other ISPs and RSPs true national coverage and automated network management and NBN termination.

These capabilities, combined with FSG's Ordnance platform and Optus' Nationwide POI connectivity, allows FSG to provide a compelling cost and operating model, rapid onboarding and comprehensive API integration.

Strategically, the introduction of these new divisions maximises revenues and operational efficiency for the FSG Rural network, while at the same time delivering a tailored and unique set of additional products and services.

Over the past 18 months, FSG has been delivering services in Western Australia. During that time, it has seen increased demand in the state, especially in the agribusiness and enterprise sectors, both of which are key strategic and growth areas. As a result, FSG has decided to formally enter the Western Australian market.

While COVID-19 has caused delays in decision making and redirection of capital expenditure in certain areas, FSG has continued to grow and has already secured over \$5.2m (TCV) in new business in the first quarter of this financial year. We anticipate further new business \$1.1m from the same areas in FY21.

Noteworthy new deals of won by FSG since July 2020:

- \$1m across two new network extension projects under the Building our Regions round 5 for Paroo and Blackall-Tambo Councils in Queensland
- Connectivity projects for Queensland Government Agencies totalling \$620k deliverable over the next seven (7) months.
- New B2B and Wholesale supply agreements of business nbn products with Spirit Telecom and Vertel

Outlook

Currently, FSG is preparing responses in partnership with several Local Governments to take part in the \$83M Federal Government Regional Digital Connectivity Program (RDC). This program is designed to provide significant funding for the construction of telecommunications infrastructure to areas that are not serviced today or are current poorly serviced. This program closes on 17 of November 2020, with the results being released in Q3 FY21.

Early this year, the New South Wales Government released an EOI for its GigState Initiative. This program is a \$400M funding program for Regional Connectivity. During October 2020 the program was paused due to "changing market conditions". We await the result of the next phase of this program.

This announcement has been authorised for release by the Board of FSG.

About FSG

FSG provides, builds and operates "true broadband networks" specifically for rural, regional and remote Australia. FSG is a licensed Australian telecommunications carrier, providing services via its own telecommunications network (trading under the brands 'JustISP' and 'Ant Communications') and a NBNco Retail Service Provider.

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