Company Registration No. 197802690R

Nera Telecommunications Ltd
and its Subsidiaries

Condensed Interim Financial Statements (Unaudited)
For the six months ended 30 June 2026

Nera Telecommunications Ltd and its Subsidiaries

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Nera Telecommunications Ltd and its Subsidiaries

Condensed Interim Statements of Financial Position
As at 30 June 2026

	Note	Group 30 Jun 2026 (unaudited) $'000	Group 31 Dec 2025 (audited) $'000	Company 30 Jun 2026 (unaudited) $'000	Company 31 Dec 2025 (audited) $'000
Non-current assets					
Property, plant and equipment	5	1,963	2,112	723	935
Right-of-use assets		3,300	3,853	1,757	2,164
Intangible assets		356	405	349	403
Investments in subsidiaries		–	–	1,629	1,629
Long term other receivables		223	258	–	–
Deferred tax assets		2,198	2,438	1,921	2,160
		8,040	9,066	6,379	7,291
Current assets					
Stocks	6	7,245	5,246	3,667	4,536
Contract assets		12,822	18,840	7,007	7,915
Trade receivables	8	27,968	36,892	13,161	14,170
Other receivables, deposits and prepayments		23,702	21,314	19,694	18,916
Amounts due from subsidiaries					
- trade		–	–	8	279
- non-trade		–	–	1,469	2,199
Fixed deposits		5,724	–	5,724	–
Cash and bank balances		17,678	10,182	1,086	1,970
		95,139	92,474	51,816	49,985
Current liabilities					
Trade payables		22,254	24,942	5,589	6,226
Other payables and accruals		4,024	2,701	1,653	581
Contract liabilities		32,080	26,131	26,248	22,543
Amounts due to subsidiaries					
- trade		–	–	59	49
- non-trade		–	–	749	1,454
Short-term borrowings	10	–	3,000	–	3,000
Lease liabilities		2,046	2,033	1,226	1,275
Provision for taxation		71	–	–	–
Provision for warranty	9	632	490	618	416
		61,107	59,297	36,142	35,544
Net current assets		34,032	33,177	15,674	14,441
Non-current liabilities					
Lease liabilities		2,385	3,081	1,503	1,992
Defined benefit obligation		408	434	–	–
		2,793	3,515	1,503	1,992
Net assets		39,279	38,728	20,550	19,740
Equity attributable to owners of the Company					
Share capital	11	29,909	29,909	29,909	29,909
Revenue reserve		10,317	9,782	(9,359)	(10,169)
Translation reserve		(1,718)	(1,734)	–	–
Other reserve		771	771	–	–
		39,279	38,728	20,550	19,740

Nera Telecommunications Ltd and its Subsidiaries

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the 6 months ended 30 June 2026

	Note	6 months ended 30 Jun 2026 (unaudited) $'000	6 months ended 30 Jun 2025 (unaudited) $'000	Increase/ (Decrease) %
Revenue	7	45,217	44,709	1.1
Cost of sales		(35,200)	(35,442)	(0.7)
Gross profit		10,017	9,267	8.1
Distribution and selling expenses		(3,801)	(3,619)	5.0
Administrative expenses		(4,799)	(5,109)	(6.1)
Other expenses	12	(418)	(2,085)	(80.0)
Profit / (loss) from operating activities	13	999	(1,546)	nm
Finance income	15	99	88	12.5
Finance expenses	16	(136)	(277)	(50.9)
Profit / (loss) before tax		962	(1,735)	nm
Tax	17	(427)	(103)	nm
Profit / (loss) after tax		535	(1,838)	nm
Other comprehensive income : Items that may be reclassified subsequently to profit or loss				
Foreign currency translation of financial statements of foreign operations		16	365	(95.6)
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit obligation		–	–	nm
Other comprehensive income for the period, net of tax		16	365	(95.6)
Total comprehensive income / (loss) for the period attributable to owners of the Company		551	(1,473)	nm
Earnings per share attributable to owners of the Company (cents per share)				
Basic	18 (a)	0.15	(0.51)	nm
Diluted	18 (a)	0.15	(0.51)	nm

Condensed Interim Statements of Changes in Equity
For the 6 months ended 30 June 2026

	Attributable to owners of the Company				
	Share capital $'000	**Revenue reserve** $'000	**Translation reserve** $'000	**Other reserve** $'000	**Total equity** $'000
Group					
At 1 January 2026	29,909	9,782	(1,734)	771	38,728
Profit for the period	–	535	–	–	535
Other comprehensive income for the period	–	–	16	–	16
Total comprehensive income for the period	–	535	16	–	551
At 30 June 2026	29,909	10,317	(1,718)	771	39,279
At 1 January 2025	29,909	12,774	(1,468)	695	41,910
Loss for the period	–	(1,838)	–	–	(1,838)
Other comprehensive income for the period	–	–	365	–	365
Total comprehensive (loss) / income for the period	–	(1,838)	365	–	(1,473)
At 30 June 2025	29,909	10,936	(1,103)	695	40,437

Nera Telecommunications Ltd and its Subsidiaries

Condensed Interim Statements of Changes in Equity
For the 6 months ended 30 June 2026

	Attributable to owners of the Company		
	Share capital $'000	**Revenue reserve** $'000	**Total equity** $'000
Company			
At 1 January 2026	29,909	(10,169)	19,740
Profit for the period	–	810	810
Total comprehensive income for the period	–	810	810
At 30 June 2026	29,909	(9,359)	20,550
At 1 January 2025	29,909	1,373	31,282
Profit for the period	–	125	125
Total comprehensive income for the period	–	125	125
At 30 June 2025	29,909	1,498	31,407

Nera Telecommunications Ltd and its Subsidiaries

Condensed Interim Consolidated Statement of Cash Flows
For the 6 months ended 30 June 2026

	Note	6 months ended 30 June 2026 (unaudited) $'000	2025 (unaudited) $'000
Cash flows from operating activities			
Profit / (loss) before tax		962	(1,735)
Adjustments for:			
Amortisation of intangible asset	13	56	45
Depreciation of property, plant and equipment	13	288	275
Depreciation of right-of-use assets	13	935	758
Interest expense	16	136	277
Interest income	15	(99)	(88)
Foreign exchange loss, net – forward currency contracts	12	–	21
Net write-back for doubtful trade debts	13	(5)	–
Net provision for warranty	9	145	142
Unrealised foreign exchange loss, net	12	407	1,058
Reduction of pension		–	(193)
Operating cash flows before changes in working capital		2,825	560
Decrease / (increase) in:			
Stocks		(2,064)	(497)
Contract assets		6,051	(1,374)
Trade receivables		7,743	5,630
Other receivables, deposits and prepayments		(2,613)	(1,590)
Increase / (decrease) in:			
Trade payables		(1,655)	259
Other payables and accruals		1,358	(2,187)
Contract liabilities		6,035	5,254
Provision for warranty		–	(143)
Cash generated from operations		17,680	5,912
Income tax refund / (paid)		7	(163)
Interest paid		(14)	(127)
Net cash flows generated from operating activities		17,673	5,622
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		1	–
Purchase of intangible assets		(7)	–
Purchase of property, plant and equipment	5	(176)	(36)
Interest received		99	87
Net cash flows (used in) / generated from investing activities		(83)	51
Cash flows from financing activities			
Proceeds from bank loans		–	3,000
Decrease in trade line		–	(4,205)
Repayment of bank loans		(3,000)	(7,500)
Repayment of lease liabilities		(1,187)	(941)
Net cash flows used in financing activities		(4,187)	(9,646)
Net increase / (decrease) in cash and cash equivalents		13,403	(3,973)
Effect of exchange rates changes on cash and bank balances		(183)	(120)
Cash and cash equivalents at beginning of the period		10,172	14,289
Cash and cash equivalents at end of the period		23,392	10,196
Cash and cash equivalents comprise:			
Fixed deposits		5,724	3,557
Cash and bank balances		17,678	6,649
Deposits pledged		(10)	(10)
		23,392	10,196

1. Corporate information

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). Effective from 2nd October 2024, the ultimate holding company is Hon Hai Precision Industry Co., Ltd. ("Hon Hai"), a publicly listed company at the Taiwan Stock Exchange Corporation. Hon Hai wholly owns Bao Xin International Investment Co., Ltd. ("Bao Xin"), and Bao Xin partially owns Ennoconn Corporation, a publicly listed company at the Taiwan Stock Exchange Corporation. The immediate holding company is Ennoconn Solutions Singapore Pte. Ltd, a wholly owned subsidiary of Ennoconn Corporation.

The registered office and principal place of business of the Company is 19 Tai Seng Avenue #06-01, Singapore 534054.

The principal activities of the Company are to engage in the sale, distribution, design, engineering, servicing, installation and maintenance of telecommunication systems and products in transmission networks and satellite communications and information technology networks.

There have been no significant changes in the nature of these activities during the current reporting period.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed 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 December 2025.

The condensed interim financial statements are presented in Singapore dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2026, where applicable. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) ***Sale and installation of network equipment***

The Group supplies and installs network equipment. The sale of equipment and rendering of installation services are either sold separately or in a bundled contract. For bundled contract, the Group accounts for the sale of equipment and installation service separately. The transaction price is allocated to the sale of equipment and installation service based on their relative stand-alone selling prices. See Note 2.3(b) for the revenue recognition relating to the installation services. For sale of equipment, revenue is recognised upon delivery of equipment and criteria for acceptance being satisfied.

(b) ***Rendering of services***

(i) ***Professional services***

The Group is in the business of providing design and engineering, installation and service of satellite infrastructure network and info-communications network infrastructure. Revenue from providing services is recognised upon service performed and criteria for acceptance being satisfied.

(ii) ***Maintenance services***

The Group provides maintenance services for network systems and solutions. Maintenance revenue is recognised over time on a straight-line basis over the specified contract period. Maintenance revenue received in advance is recognised as contract liabilities and recognised as income over the life of the maintenance contracts.

(c) ***Turnkey project***

The Group is in the business of providing full suite of turnkey network and wireless solutions. The Group recognises revenue from contracts by reference to the stage of completion of the respective contract activity (i.e., performance obligations) of its projects at the end of each reporting period. The stage of completion is measured by reference to the cost incurred to date relative to the total estimated cost to satisfy the performance obligation.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified project milestones. A contract asset is recognised when the Group has performed under the contract but has yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

2. Summary of significant accounting policies (cont'd)

2.3 *Revenue (cont'd)*

(c) ***Turnkey project (cont'd)***

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognise the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

For the revenue streams stated above, in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that includes a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customers.

3. Significant accounting judgments and estimates

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by management 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 December 2025.

4. Seasonal operations

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

5. Property, plant and equipment

During the six months ended 30 June 2026, the Group acquired property, plant and equipment with an aggregate cost of $176,000 (30 June 2025: $36,000).

6. Stocks

	Group		**Company**	
	30 Jun 2026	**31 Dec 2025**	**30 Jun 2026**	**31 Dec 2025**
	$'000	$'000	$'000	$'000
Network equipment	7,245	5,246	3,667	4,536

At 30 June 2026, stocks recognised as an expense in the consolidated statement of comprehensive income under line item "Cost of sales" for the Group amounted to $12,246,000 (30 June 2025: $13,535,000). There was no stocks write-down recognised (30 June 2025: nil).

7. Revenue

(a) *Disaggregation of revenue*

Segments	**WIN 6 months ended 30 Jun**		**NI 6 months ended 30 Jun**		**Total revenue 6 months ended 30 Jun**	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets						
Singapore	520	79	30,423	25,014	30,943	25,093
Malaysia	969	1,050	7,766	7,416	8,735	8,466
Indonesia	3	404	965	4,800	968	5,204
Thailand	342	85	76	505	418	590
Philippines	–	96	17	476	17	572
EMEA countries	3,402	3,631	493	301	3,895	3,932
Others	241	852	–	–	241	852
	5,477	6,197	39,740	38,512	45,217	44,709
Major product or service lines						
Sale of equipment	1,703	772	18,400	15,294	20,103	16,066
Rendering of services	1,627	2,398	19,215	22,073	20,842	24,471
Turnkey project	2,147	3,027	2,125	1,145	4,272	4,172
	5,477	6,197	39,740	38,512	45,217	44,709
Timing of transfer of goods or services						
At a point in time	1,703	772	18,400	15,294	20,103	16,066
Over time	3,774	5,425	21,340	23,218	25,114	28,643
	5,477	6,197	39,740	38,512	45,217	44,709

(b) Judgment and methods used in estimating revenue

(i) <u>Determining transaction price and amounts allocated to sale of equipment with installation services, sale of equipment with maintenance services and turnkey project with maintenance services.</u>

For the bundled contracts, the Group allocates the transaction price to sale of equipment with installation services, sale of equipment with maintenance services and turnkey project with maintenance services based on their relative stand-alone selling prices. The standalone selling prices are determined based on estimated cost-plus margin.

7. Revenue (cont'd)

(b) Judgment and methods used in estimating revenue (cont'd)

(ii) Recognition of revenue from professional services and turnkey project over time

For rendering of professional services and turnkey projects where the Group satisfies its performance obligations over time, management has determined that cost-based input method provides a faithful depiction of the Group's performance in transferring control to the customers, as it reflects the Group's efforts incurred to date relating to the total inputs expected to be incurred. The measurement of progress is based on the costs incurred to date as a proportion of the costs to be incurred to the satisfaction of the performance obligation.

The estimated total costs are based on contractual amounts and, in respect of amounts not contracted for, management relies on past experience and the knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends for the amount incurred in its other similar services and projects.

(iii) Estimating variable consideration for turnkey projects

In estimating the variable consideration for liquidated damages, the Group uses the most likely amount method to predict the liquidated damages. Management relies on historical experiences with similar turnkey projects, customers and geographical areas. Management has exercised significant judgment in estimating the amount of consideration to which it expects to be entitled and of which the amount is included in the contract revenue to the extent that it is probable that there will be no significant reversal when the uncertainties are resolved.

(c) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group		Company	
	30 Jun 2026	**31 Dec 2025**	**30 Jun 2026**	**31 Dec 2025**
	$'000	$'000	$'000	$'000
Trade receivables (Note 8)	27,968	36,892	13,161	14,170
Contract assets	12,822	18,840	7,007	7,915
Contract liabilities	32,080	26,131	26,248	22,543

At 30 June 2026, the Group recognised a net write-back of impairment loss on receivables arising from contracts with customers amounting to $5,000 (30 June 2025: net impairment loss of nil).

At 30 June 2026, the Group has recognised a net impairment loss on contract assets amounting to nil (30 June 2025: net impairment loss on contract assets of nil).

8. Trade receivables

	Group		Company	
	30 Jun 2026	**31 Dec 2025**	**30 Jun 2026**	**31 Dec 2025**
	$'000	$'000	$'000	$'000
Trade receivables	30,447	39,449	13,282	14,276
Less: Allowance for impairment of trade receivables	(2,479)	(2,557)	(121)	(106)
Total trade receivables	27,968	36,892	13,161	14,170

At 30 June 2026, retention sums relating to contracts included in trade receivables of the Group and the Company are $2,583,000 and nil (31 Dec 2025: $2,656,000 and nil) respectively.

9. Provision for warranty

A provision is recognised for expected warranty claims on goods and services sold in the past 12 months (average warranty period) based on past experience of the level of repairs and returns. The provision is classified as current liability as it is difficult to predict the timing of warranty utilisation due to the following reasons:

(a) there is unpredictability in the network system in which it is possible for a failed IT equipment to cause the whole network to not be operational;

(b) the Group continues to work on projects and install equipment for customers in environments that are considerably more challenging;

(c) the Group continues to use equipment from new vendors whose equipment may not be fully tested in different environments; and

(d) there is a mismatch of the duration of the warranty coverage.

Movements in provision for warranty during the period are as follows:

	Group 6 months ended 30 Jun		Company 6 months ended 30 Jun	
	2026	**2025**	**2026**	**2025**
	$'000	$'000	$'000	$'000
At 1 January	490	490	416	407
Provision for the year	209	159	202	148
Write-back of provision	(64)	(17)	–	(11)
Utilised during the year	–	(140)	–	(140)
Currency realignment	(3)	(3)	–	–
At 30 June	632	489	618	404

10. Borrowings

	Group		Company	
	30 Jun 2026	**31 Dec 2025**	**30 Jun 2026**	**31 Dec 2025**
	$'000	$'000	$'000	$'000
Amount repayable within one year or on demand				
Unsecured	–	3,000	–	3,000

10. Borrowings (cont'd)

As disclosed in the 2025 Annual Report, the Company has obtained a one-time waiver of the breaches of covenants from the banks. As at 30 June 2026, the banks have made revision to the covenants. There was no breach of loan covenants as at 30 June 2026.

11. Share capital

	Group and Company			
			Number of shares	
	30 Jun 2026	**31 Dec 2025**	**30 Jun 2026**	**31 Dec 2025**
	$'000	$'000	'000	'000
Issued and fully paid ordinary shares:	29,909	29,909	361,897	361,897

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

12. Other expenses

	6 months ended 30 Jun	
	2026	**2025**
	$'000	$'000
Unrealized foreign exchange loss, net	(407)	(1,058)
Realized foreign exchange loss, net	(93)	(271)
Foreign exchange loss, net – forward currency contracts	–	(21)
Government grants	67	8
Retrenchment costs	–	(746)
Others	15	3
	(418)	(2,085)

13. Profit / (loss) from operating activities

The following items have been included in arriving at profit / (loss) from operating activities:

	6 months ended 30 Jun	
	2026	**2025**
	$'000	$'000
Amortisation of intangible asset	56	45
Depreciation of property, plant and equipment	288	275
Depreciation of right-of-use assets	935	758
Net write-back for doubtful trade receivables	(5)	–

14. Personnel expenses and employee benefits

	6 months ended 30 Jun	
	2026	**2025**
	$'000	$'000
Wages, salaries and bonuses	7,224	7,653
Pension contributions	997	921
Retrenchment benefits	4	746
Other personnel benefits	1,141	1,159
	9,366	10,479

15. Finance income

	6 months ended 30 Jun	
	2026	**2025**
	$'000	$'000
Interest income from:		
Bank deposits	99	88
	99	88

16. Finance expenses

	6 months ended 30 Jun	
	2026	**2025**
	$'000	$'000
Interest expense	14	158
Interest on lease liabilities	122	119
	136	277

17. Tax

The 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 condensed interim consolidated statement of profit or loss are:

	6 months ended 30 Jun	
	2026	**2025**
	$'000	$'000
Consolidated income statement:		
Current income tax:		
Current income taxation	212	103
Over provision in respect of previous years	(24)	–
Deferred income tax:		
Current period	239	–
Income tax expense recognised in profit and loss	427	103

18. Earnings per share

(a) ***Continuing operations***

Basic earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of dilutive options).

The following tables reflect the income and share data used in the computation of basic and diluted earnings per share for the period ended 30 June:

	Group 6 months ended 30 Jun	
	2026	**2025**
	$'000	$'000
Net profit / (loss) attributable to ordinary equity holders of the Company for basic and diluted earnings per share	535	(1,838)
Weighted average number of ordinary shares for basic and diluted earnings per share computation	361,897	361,897

There have been no transactions involving ordinary shares or potential ordinary shares since the end of the financial period and before the completion of these financial statements.

(b) ***Earnings per share computation***

The basic and diluted earnings per share are calculated by dividing the profit for the period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for both basic and diluted earnings per share computation. The profit and share data are presented in Note 18(a) above.

19. Net asset value

	Group		Company	
	30 Jun 2026	**31 Dec 2025**	**30 Jun 2026**	**31 Dec 2025**
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (in cents):	10.85	10.70	5.68	5.45

20. Segment information

For management purposes, the Group is organised on a worldwide basis into operating businesses (divisions) as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The Group is organised into two main operating businesses, namely:

Wireless Infrastructure Networks ("WIN") – Sales, marketing and distribution, design and engineering, project implementation, service and maintenance of satellite communications, transmission products and systems and wireless solutions.

Network Infrastructure ("NI") – Sales, marketing and distribution, design and engineering, project implementation, service and maintenance of info-communications network infrastructure, network security solutions, IP networks, optical networks and broadcast infrastructure.

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment turnover, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

20. Segment information (cont'd)

6 months ended 30 Jun 2026	**WIN** $'000	**NI** $'000	**Adjustments** $'000		**Total** $'000
Revenue	5,477	39,740			45,217
Cost of sales	(4,458)	(30,742)			(35,200)
Gross profit	1,019	8,998			10,017
Distribution and selling expenses	(795)	(3,006)			(3,801)
Administrative expenses	(757)	(4,042)			(4,799)
Other income / (expenses)	91	(509)			(418)
(Loss) / profit from operating activities	(442)	1,441			999
Finance income					99
Finance expenses					(136)
Profit before tax					962
Tax					(427)
Net Profit for the period					535
Other information					
Segment assets	14,770	38,884	49,525	A	103,179
Segment liabilities	9,224	50,173	4,503	B	63,900
Capital expenditure	22	154			176
Depreciation and amortisation	200	1,079			1,279
Other non-cash (income)/expenses (*)	(9)	149			140

6 months ended 30 Jun 2025	**WIN** $'000	**NI** $'000	**Adjustments** $'000		**Total** $'000
Revenue	6,197	38,512			44,709
Cost of sales	(4,627)	(30,815)			(35,442)
Gross profit	1,570	7,697			9,267
Distribution and selling expenses	(822)	(2,797)			(3,619)
Administrative expenses	(1,007)	(4,102)			(5,109)
Other expenses	(1,322)	(763)			(2,085)
(Loss) / profit from operating activities	(1,581)	35			(1,546)
Finance income					88
Finance expenses					(277)
Loss before tax					(1,735)
Tax					(103)
Net loss for the period					(1,838)
Other information					
Segment assets	16,427	44,925	40,102	A	101,454
Segment liabilities	9,566	45,941	5,510	B	61,017
Capital expenditure	8	28			36
Depreciation and amortisation	112	966			1,078
Other non-cash expenses (*)	3	140			143

(*) Other non-cash (income)/expenses include net provision for warranty and net write-back for doubtful trade debts.

20. Segment information (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	30 Jun 2026 $'000	**30 Jun 2025** $'000
Deferred tax assets	2,198	5,030
Other receivables, deposits and prepayments	23,925	24,866
Cash and cash equivalents	17,678	6,649
Fixed deposits	5,724	3,557
	49,525	40,102

B The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	30 Jun 2026 $'000	**30 Jun 2025** $'000
Defined benefit obligation	408	381
Other payables and accruals	4,024	4,555
Borrowings	–	403
Provision for taxation	71	171
	4,503	5,510

Geographical segments

Revenue and non-current assets (excluding deferred tax assets) information based on the geographical location of customers and assets respectively are as follows:

	Revenue 6 months ended 30 Jun		**Non-current assets 6 months ended 30 Jun**	
	2026 $'000	**2025** $'000	**2026** $'000	**2025** $'000
Singapore	30,943	25,093	2,830	4,153
Malaysia	8,735	8,466	1,454	611
Indonesia	968	5,204	369	202
Thailand	418	590	170	123
Philippines	17	572	876	967
EMEA countries	3,895	3,932	143	214
Others	241	852	–	–
	45,217	44,709	5,842	6,270

Non-current assets information presented above consists of intangible assets, property, plant and equipment, right-of-use assets, long term other receivables.

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The Condensed Consolidated Statement of Financial Position of Nera Telecommunications Ltd and its subsidiaries as at 30 June 2026 and the related Condensed Consolidated Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the six-months period then ended and certain explanatory notes have not been audited or reviewed.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the revenue, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

a) Revenue

The Group delivered a resilient performance in 1H2026, delivering revenue of $45.2 million, an increase of 1.1% compared to 1H2025 of $44.7 million.

Network Infrastructure ("NI")

Revenue from Network Infrastructure ("NI") increased by 3.2% to $39.7 million in 1H2026 against $38.5 million in 1H2025. The increase was mainly due to higher contributions from Singapore, partially offset by lower revenue from Indonesia.

Wireless Infrastructure Network ("WIN")

While Wireless Infrastructure Network ("WIN") revenue decreased by 11.6% to $5.5 million in 1H2026 as compared to $6.2 million in 1H2025. The decrease was primarily due to lower revenue contributions from Indonesia and Norway, partially offset by higher revenue from Singapore.

b) Gross Profit

Gross profit in 1H2026 increased by 8.1% to $10.0 million from $9.3 million in 1H2025, in line with the higher revenue recognised for the period. Gross profit margin increased by 1.5% to 22.2% in 1H2026 from 20.7% in 1H2025.

c) Other Expenses

On a YOY basis, the Group recorded Other Expenses of $0.4 million in 1H2026 as compared to $2.1 million in 1H2025. The decrease was mainly due to lower foreign exchange losses of $0.9 million and restructuring costs of $0.7 million in 1H2026.

d) Operating Expenses

On a YOY basis, total Operating Expenses in 1H2026 decreased by 1.5% ($0.1 million) compared to 1H2025. The decrease was mainly attributable to lower staff costs of $0.8 million, which was largely offset by a bonus provision of $0.9 million recognised in 1H2026 (1H2025: nil).

e) Finance Income / (Expenses)

Finance income increased by 12.5% ($0.01 million) in 1H2026 as compared to 1H2025 mainly due to higher interest earned from higher placement of fixed deposits. Finance expenses decreased by 50.9% ($0.14 million) in 1H2026 as compared to 1H2025 mainly due to repayment of bank borrowings.

f) Profit / (Loss) Before Tax

The Group reported profit before tax of $1.0 million in 1H2026 compared to loss before tax of $1.7 million in 1H2025. This was primarily due to higher gross profit, lower foreign exchange losses and restructuring costs.

g) Tax

The higher income tax expense for 1H2026 was primarily due to higher taxable profit from Singapore and one of the foreign subsidiaries.

h) Profit / (Loss) After Tax

Overall, the Group reported a profit after tax of $0.5 million for 1H2026, compared to a loss after tax of $1.8 million in 1H2025, largely explained by the improved gross profit, lower foreign exchange losses, a reduction in restructuring costs, and higher tax expenses.

Interim Statements of Financial Position

i) Non-current assets

The Group's non-current assets decreased by $1.0 million mainly due to decrease in carrying amount of property, plant and equipment, right-of-use assets, intangible assets and deferred tax assets.

j) Current assets

The Group's current assets increased by $2.7 million mainly due to the increase in stocks, other receivables, fixed deposits and cash and bank balances, partially offset by decrease in contract assets and trade receivables.

k) Current liabilities

The Group's current liabilities increased by $1.8 million mainly due to the increase in other payables and contract liabilities, partially offset by the decrease in trade payables and short-term borrowings.

l) Non-current liabilities

The Group's non-current liabilities decreased by $0.7 million mainly due to the decrease in lease liabilities.

m) Cash flow

The increase in cash and cash equivalents of $13.4 million was mainly due to:
- net cash flows generated from operating activities of $17.7 million, partially offset by the repayment of bank loans and lease liabilities totalling $4.2 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In 1H2026, the Group secured approximately $56.8 million in order intake, an increase of 40.9% ($16.5 million) as compared to $40.3 million in 1H2025.

The Group's NI business segment contributed approximately $46.1 million, or 81.2% of the total 1H2026 order intake, an increase of 65.2% ($18.2 million) as compared to $27.9 million recorded in 1H2025. The Group's WIN business segment contributed the remaining $10.7 million in order intake, a decrease of 13.7% ($1.7 million) as compared to $12.4 million in 1H2025.

The information and communications technology ("ICT") industry continues to benefit from continued demand for digital transformation, secure connectivity, cybersecurity and AI-enabled solutions. While the competitive landscape remains dynamic, ongoing investments by organisations in digital infrastructure, cyber resilience and managed services are expected to support opportunities across the Group's key markets.

The Group remains focused on strengthening relationships with existing customers, expanding its ecosystem of customers and strategic partners and driving adoption of its connectivity, cybersecurity, Artificial Intelligence of Things ("AIoT") and technology services offerings across the Government, Transport and Utilities ("GTU"), Enterprise ("ENT") and Service Provider ("SP") segments.

The Group will continue to deepen collaboration with its majority shareholder, Ennoconn Corporation ("Ennoconn"), to broaden its technology portfolio and strengthen its market position through AI, AIoT and smart industry solutions. In addition, the Group remains focused on growing higher-value recurring revenue streams through managed services, including Security Operations Centre ("SOC") and Network Operations Centre ("NOC") offerings.

Assuming no material worsening in macroeconomic and geopolitical conditions, the Group considers that it may be reasonably-position to capture opportunities arising from continued demand for digitalisation, cybersecurity and managed technology services over the next reporting period and the next 12 months.

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been proposed or recommended as the management plans to conserve cash for the Group's working capital.

7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Extraordinary General Meeting held on 29 April 2025. During the period ended 30 June 2026, the following interest person transaction were entered into by the Group:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than $100,000)
Transactions for the Sale of Goods and Services		**Half year 30 Jun 2026 $'000**	**Half year 30 Jun 2026 $'000**
None	None	Nil	Nil

8. 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 Company has procured the revised undertakings from all directors and from executive officers in the format set out in Appendix 7.7 under Rule 720(1).

9. Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

The Company confirms that no person is occupying any managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Gn Jong Yuh Gwendolyn
Company Secretary

12 August 2026