

Company Registration No. 197802690R

**Nera Telecommunications Ltd
and its Subsidiaries**

Condensed Interim Financial Statements (Unaudited)
For the six months and full year ended 31 December 2025

Nera Telecommunications Ltd and its Subsidiaries

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Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Statements of Financial Position
As at 31 December 2025**

| | Note | Group | | Company | |
|---|------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| | | 31 Dec 2025 (unaudited) \$'000 | 31 Dec 2024 (audited) \$'000 | 31 Dec 2025 (unaudited) \$'000 | 31 Dec 2024 (audited) \$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 5 | 2,112 | 2,686 | 935 | 1,332 |
| Right-of-use assets | | 3,853 | 4,022 | 2,164 | 3,147 |
| Intangible assets | | 405 | 430 | 403 | 419 |
| Investments in subsidiaries | | – | – | 1,629 | 7,754 |
| Long term trade and other receivables | | 258 | 243 | – | – |
| Deferred tax assets | | 2,438 | 5,148 | 2,160 | 2,442 |
| | | 9,066 | 12,529 | 7,291 | 15,094 |
| Current assets | | | | | |
| Stocks | 6 | 5,246 | 4,859 | 4,536 | 4,438 |
| Contract assets | | 18,840 | 17,869 | 7,915 | 7,755 |
| Trade receivables | 8 | 36,892 | 37,978 | 14,170 | 13,586 |
| Other receivables, deposits and prepayments | | 21,314 | 22,918 | 18,916 | 19,283 |
| Amounts due from subsidiaries | | | | | |
| - trade | | – | – | 2,478 | 635 |
| - non-trade | | – | – | – | 6,130 |
| Fixed deposits | | – | 3,708 | – | 3,708 |
| Cash and bank balances | | 10,182 | 10,591 | 1,970 | 2,649 |
| | | 92,474 | 97,923 | 49,985 | 58,184 |
| Current liabilities | | | | | |
| Trade payables | | 24,942 | 20,733 | 6,226 | 6,294 |
| Other payables and accruals | | 2,701 | 6,247 | 581 | 2,900 |
| Contract liabilities | | 26,131 | 25,677 | 22,543 | 20,033 |
| Amounts due to subsidiaries | | | | | |
| - trade | | – | – | 287 | 53 |
| - non-trade | | – | – | 1,216 | 27 |
| Short-term borrowings | 10 | 3,000 | 9,108 | 3,000 | 7,822 |
| Lease liabilities | | 2,033 | 1,679 | 1,275 | 1,258 |
| Provision for taxation | | – | 279 | – | – |
| Provision for warranty | 9 | 490 | 490 | 416 | 407 |
| | | 59,297 | 64,213 | 35,544 | 38,794 |
| Net current assets | | 33,177 | 33,710 | 14,441 | 19,390 |
| Non-current liabilities | | | | | |
| Lease liabilities | | 3,081 | 3,724 | 1,992 | 3,202 |
| Defined benefit obligation | | 434 | 605 | – | – |
| | | 3,515 | 4,329 | 1,992 | 3,202 |
| Net assets | | 38,728 | 41,910 | 19,740 | 31,282 |
| Equity attributable to equity holders of the Company | | | | | |
| Share capital | 11 | 29,909 | 29,909 | 29,909 | 29,909 |
| Revenue reserve | | 9,782 | 12,774 | (10,169) | 1,373 |
| Translation reserve | | (1,734) | (1,468) | – | – |
| Other reserve | | 771 | 695 | – | – |
| | | 38,728 | 41,910 | 19,740 | 31,282 |

Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the 12 months ended 31 December 2025**

| | Note | 6 months ended 31 Dec 2025 (unaudited) \$'000 | 6 months ended 31 Dec 2024 (audited) (Restated) \$'000 | 12 months ended 31 Dec 2025 (unaudited) \$'000 | 12 months ended 31 Dec 2024 (audited) (Restated) \$'000 | Increase/ (Decrease) % |
|---|--------|---|---|--|--|------------------------------|
| Revenue | 7 | 55,484 | 50,913 | 100,193 | 98,245 | 2.0 |
| Cost of sales | | (46,922) | (41,756) | (82,364) | (77,425) | 6.4 |
| Gross profit | | 8,562 | 9,157 | 17,829 | 20,820 | (14.4) |
| Distribution and selling expenses | | (2,920) | (5,007) | (6,539) | (10,627) | (38.5) |
| Administrative expenses | | (5,132) | (6,997) | (10,241) | (12,282) | (16.6) |
| Other income / (expenses) | 12 | 1,512 | (2,060) | (573) | (1,691) | (66.1) |
| Profit / (loss) from operating activities | 13 | 2,022 | (4,907) | 476 | (3,780) | nm |
| Finance income | 15 | 26 | 167 | 114 | 354 | (67.8) |
| Finance expenses | 16 | (242) | (266) | (519) | (544) | (4.6) |
| Profit / (loss) before tax | | 1,806 | (5,006) | 71 | (3,970) | nm |
| Tax | 17 | (2,960) | 850 | (3,063) | 1,165 | nm |
| Loss after tax | | (1,154) | (4,156) | (2,992) | (2,805) | 6.7 |
| Other comprehensive income / (loss): | | | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| Foreign currency translation of financial statements of foreign operations | | (631) | 395 | (266) | (5) | nm |
| Items that will not be reclassified to profit or loss | | | | | | |
| Remeasurement of defined benefit obligation | | 76 | 117 | 76 | (48) | nm |
| Other comprehensive (loss) / income for the period / year, net of tax | | (555) | 512 | (190) | (53) | nm |
| Total comprehensive loss for the period / year attributable to owners of the Company | | (1,709) | (3,644) | (3,182) | (2,858) | 11.3 |
| Earnings per share attributable to owners of the Company (cents per share) | | | | | | |
| Basic | 18 (a) | (0.32) | (1.15) | (0.83) | (0.78) | 6.4 |
| Diluted | 18 (a) | (0.32) | (1.15) | (0.83) | (0.78) | 6.4 |

Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Statements of Changes in Equity
For the 12 months ended 31 December 2025**

| | Attributable to equity holders of the Company | | | | Total equity \$'000 |
|---|---|---------------------------|-------------------------------|-------------------------|------------------------|
| | Share capital \$'000 | Revenue reserve \$'000 | Translation reserve \$'000 | Other reserve \$'000 | |
| Group | | | | | |
| At 1 January 2025 | 29,909 | 12,774 | (1,468) | 695 | 41,910 |
| Loss for the year | – | (2,992) | – | – | (2,992) |
| Other comprehensive (loss) / income for the year | – | – | (266) | 76 | (190) |
| Total comprehensive (loss) / income for the year | – | (2,992) | (266) | 76 | (3,182) |
| At 31 December 2025 | 29,909 | 9,782 | (1,734) | 771 | 38,728 |
| | | | | | |
| At 1 January 2024 | 29,909 | 17,388 | (1,463) | 743 | 46,577 |
| Loss for the year | – | (2,805) | – | – | (2,805) |
| Other comprehensive loss for the year | – | – | (5) | (48) | (53) |
| Total comprehensive loss for the year | – | (2,805) | (5) | (48) | (2,858) |
| <u>Contributions by and distributions to owners</u> | | | | | |
| Dividends | – | (1,809) | – | – | (1,809) |
| Total contributions by and distributions to owners | – | (1,809) | – | – | (1,809) |
| At 31 December 2024 | 29,909 | 12,774 | (1,468) | 695 | 41,910 |

Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Statements of Changes in Equity
For the 12 months ended 31 December 2025**

| | Attributable to equity holders of the Company | | |
|---|--|------------------------------|---------------------------|
| | Share capital \$'000 | Revenue reserve \$'000 | Total equity \$'000 |
| Company | | | |
| At 1 January 2025 | 29,909 | 1,373 | 31,282 |
| Loss for the year | – | (11,542) | (11,542) |
| Total comprehensive loss for the year | – | (11,542) | (11,542) |
| At 31 December 2025 | 29,909 | (10,169) | 19,740 |
| | | | |
| At 1 January 2024 | 29,909 | 4,688 | 34,597 |
| Loss for the year | – | (1,506) | (1,506) |
| Total comprehensive loss for the year | – | (1,506) | (1,506) |
| <u>Contributions by and distributions to owners</u> | | | |
| Dividends | – | (1,809) | (1,809) |
| Total contributions by and distributions to owners | – | (1,809) | (1,809) |
| At 31 December 2024 | 29,909 | 1,373 | 31,282 |

Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Consolidated Statement of Cash Flows
For the 12 months ended 31 December 2025**

| | Note | 12 months ended 31 Dec | |
|---|------|-------------------------------|-----------------------------|
| | | 2025 (unaudited) \$'000 | 2024 (audited) \$'000 |
| Cash flows from operating activities | | | |
| Profit / (loss) before tax | | 71 | (3,970) |
| Adjustments for: | | | |
| Amortisation of intangible asset | 13 | 102 | 138 |
| Bad debts written off | 13 | 14 | 68 |
| Depreciation of property, plant and equipment | 13 | 541 | 619 |
| Depreciation of right-of-use assets | 13 | 1,559 | 1,598 |
| Interest expense | 16 | 519 | 544 |
| Interest income | 15 | (114) | (354) |
| Foreign exchange loss, net – forward currency contracts | 12 | 141 | 106 |
| Net gain on disposal of property, plant and equipment | 12 | (23) | (6) |
| Impairment of property, plant and equipment | 12 | – | 1,696 |
| Net allowance / (write-back) for doubtful trade debts | 7 | 40 | (94) |
| Net allowance / (write-back) for contract assets | 7 | 813 | (77) |
| Stock written off | 6 | – | 6 |
| Net provision for warranty | 9 | 172 | 406 |
| Net gain on disposal of subsidiaries | | (1,448) | – |
| Unrealised foreign exchange loss / (gain), net | | 1,194 | (676) |
| Pension (income) / cost | | (133) | 175 |
| Operating cash flows before working capital changes | | 3,448 | 179 |
| Decrease / (Increase) in: | | | |
| Stocks | | (280) | 481 |
| Contract assets | | (1,746) | 4,527 |
| Trade receivables | | (156) | 5,734 |
| Other receivables, deposits and prepayments | | 1,318 | (1,509) |
| Increase / (Decrease) in: | | | |
| Trade payables | | 5,547 | (7,808) |
| Other payables and accruals | | (3,675) | (1,049) |
| Contract liabilities | | 468 | 484 |
| Provision for warranty | | (168) | (407) |
| Cash generated from operations | | 4,756 | 632 |
| Income tax paid | | (630) | (396) |
| Interest paid | | (180) | (235) |
| Benefits paid out from pension fund | | – | (13) |
| Net cash flows generated from / (used in) operating activities | | 3,946 | (12) |
| Cash flows from investing activities | | | |
| Proceeds from disposal of property, plant and equipment | | 23 | 21 |
| Purchase of property, plant and equipment | 5 | (40) | (278) |
| Purchase of intangible assets | | (79) | – |
| Interest received | | 114 | 424 |
| Net cash flows generated from investing activities | | 18 | 167 |

Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Consolidated Statement of Cash Flows
For the 12 months ended 31 December 2025 (cont'd)**

| | Note | 12 months ended 31 Dec | |
|--|------|-------------------------------|-----------------------------|
| | | 2025 (unaudited) \$'000 | 2024 (audited) \$'000 |
| Cash flows from financing activities | | | |
| Dividends paid to shareholders of the Company | | – | (1,809) |
| Decrease in deposits pledged | | – | 109 |
| Proceeds from bank loans | | 6,000 | 5,000 |
| (Decrease) / Increase in trade facilities | | (4,608) | 611 |
| Repayment of bank loans | | (7,500) | (8,500) |
| Repayment of lease liabilities | | (1,985) | (1,986) |
| Net cash flows used in financing activities | | <u>(8,093)</u> | <u>(6,575)</u> |
| Net decrease in cash and cash equivalents | | (4,129) | (6,420) |
| Effect of exchange rates changes on cash and bank balances | | 12 | 206 |
| Cash and cash equivalents at beginning of year | | 14,289 | 20,503 |
| Cash and cash equivalents at end of year | | <u>10,172</u> | <u>14,289</u> |
| Cash and cash equivalents comprise: | | | |
| Cash and bank balances | | 10,182 | 14,299 |
| Deposits pledged | | (10) | (10) |
| | | <u>10,172</u> | <u>14,289</u> |

Nera Telecommunications Ltd and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the 12 months ended 31 December 2025

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 owned Bao Xin International Investment Co., Ltd. ("Bao Xin"), and Bao Xin partially owned Ennoconn 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 the provision of solutions including design, integration, deployment and technological services for digital infrastructure.

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 31 December 2025 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 2024.

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 2025, 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 over time, based on cost incurred to date relative to the total estimated cost to satisfy the performance obligation.

(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 recognised 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 relate 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 2024.

4. Seasonal operations

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

5. Property, plant and equipment

At 31 December 2025, the Group acquired property, plant and equipment with an aggregate cost of \$40,000 (2024: \$284,000). The cash outflow on acquisition of property, plant and equipment amounted to \$40,000 (2024: \$278,000). The remaining amount of nil (2024: \$6,000) is unpaid as at year end and is recorded in other payables.

During the financial year, the group impaired assets under construction of a foreign subsidiary amounting to nil (2024: \$1,696,000).

Nera Telecommunications Ltd and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025**

6. Stocks

| | Group | | Company | |
|-------------------|--------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2025 | 31 Dec 2024 | 31 Dec 2025 | 31 Dec 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Network equipment | 5,246 | 4,859 | 4,536 | 4,438 |

At 31 December 2025, stocks recognised as an expense in the consolidated statement of comprehensive income under line item "Cost of sales" for the Group amounted to \$30,623,000 (2024: \$35,409,000) inclusive stocks net write-down of nil (2024: \$6,000).

7. Revenue

(a) Disaggregation of revenue

| Segments | WIN | | NI | | Total revenue | |
|--|-----------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| | 6 months ended | | 6 months ended | | 6 months ended | |
| | 31 Dec | | 31 Dec | | 31 Dec | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Primary geographical markets | | | | | | |
| Singapore | 351 | 779 | 27,876 | 22,390 | 28,227 | 23,169 |
| Indonesia | 274 | 550 | 1,986 | 7,730 | 2,260 | 8,280 |
| Malaysia | 1,554 | 1,661 | 12,881 | 8,295 | 14,435 | 9,956 |
| Philippines | - | 98 | 22 | 177 | 22 | 275 |
| Thailand | 633 | 292 | 260 | 694 | 893 | 986 |
| EMEA countries | 6,250 | 7,246 | 652 | 1,001 | 6,902 | 8,247 |
| Others | 2,745 | - | - | - | 2,745 | - |
| | 11,807 | 10,626 | 43,677 | 40,287 | 55,484 | 50,913 |
| Major product or service lines | | | | | | |
| Sale of equipment | 4,236 | 396 | 15,026 | 17,188 | 19,262 | 17,584 |
| Rendering of services | 3,251 | 3,064 | 28,018 | 22,141 | 31,269 | 25,205 |
| Turnkey project | 4,320 | 7,166 | 633 | 958 | 4,953 | 8,124 |
| | 11,807 | 10,626 | 43,677 | 40,287 | 55,484 | 50,913 |
| Timing of transfer of goods or services | | | | | | |
| At a point in time | 4,236 | 396 | 15,026 | 17,188 | 19,262 | 17,584 |
| Over time | 7,571 | 10,230 | 28,651 | 23,099 | 36,222 | 33,329 |
| | 11,807 | 10,626 | 43,677 | 40,287 | 55,484 | 50,913 |

Nera Telecommunications Ltd and its Subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025

7. Revenue (cont'd)

(a) Disaggregation of revenue (cont'd)

| Segments | WIN | | NI | | Total revenue | |
|--|---------------------------|--------|---------------------------|--------|---------------------------|--------|
| | 12 months ended 31 Dec | | 12 months ended 31 Dec | | 12 months ended 31 Dec | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Primary geographical markets | | | | | | |
| Singapore | 430 | 1,246 | 52,890 | 48,938 | 53,320 | 50,184 |
| Indonesia | 678 | 2,154 | 6,786 | 11,462 | 7,464 | 13,616 |
| Malaysia | 2,604 | 3,197 | 20,297 | 15,350 | 22,901 | 18,547 |
| Philippines | 96 | 206 | 498 | 296 | 594 | 502 |
| Thailand | 718 | 914 | 765 | 1,230 | 1,483 | 2,144 |
| EMEA countries | 9,881 | 10,351 | 953 | 1,606 | 10,834 | 11,957 |
| Others | 3,597 | 1,295 | - | - | 3,597 | 1,295 |
| | 18,004 | 19,363 | 82,189 | 78,882 | 100,193 | 98,245 |
| Major product or service lines | | | | | | |
| Sale of equipment | 5,008 | 2,708 | 30,320 | 33,790 | 35,328 | 36,498 |
| Rendering of services | 5,649 | 7,326 | 50,091 | 43,673 | 55,740 | 50,999 |
| Turnkey project | 7,347 | 9,329 | 1,778 | 1,419 | 9,125 | 10,748 |
| | 18,004 | 19,363 | 82,189 | 78,882 | 100,193 | 98,245 |
| Timing of transfer of goods or services | | | | | | |
| At a point in time | 5,008 | 2,708 | 30,320 | 33,790 | 35,328 | 36,498 |
| Over time | 12,996 | 16,655 | 51,869 | 45,092 | 64,865 | 61,747 |
| | 18,004 | 19,363 | 82,189 | 78,882 | 100,193 | 98,245 |

(b) Judgment and methods used in estimating revenue

- (i) 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.

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 | |
|----------------------------|-------------|-------------|-------------|-------------|
| | 31 Dec 2025 | 31 Dec 2024 | 31 Dec 2025 | 31 Dec 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade receivables (Note 8) | 36,892 | 37,978 | 14,170 | 13,586 |
| Contract assets | 18,840 | 17,869 | 7,915 | 7,755 |
| Contract liabilities | 26,131 | 25,677 | 22,543 | 20,033 |

At 31 December 2025, the Group has recognised a net impairment loss on receivables arising from contracts with customers amounting to \$40,000 (2024: net write-back of impairment losses on receivables of \$94,000).

At 31 December 2025, the Group has recognised a net impairment loss on contract assets amounting to \$813,000 (2024: net write-back of impairment loss on contract assets of \$77,000).

Nera Telecommunications Ltd and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025**

8. Trade receivables

| | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2025 | 31 Dec 2024 | 31 Dec 2025 | 31 Dec 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade receivables | 39,449 | 40,618 | 14,276 | 13,772 |
| Less: Allowance for impairment of trade receivables | (2,557) | (2,640) | (106) | (186) |
| Total trade receivables | 36,892 | 37,978 | 14,170 | 13,586 |

At 31 December 2025, retention sums relating to contracts included in trade receivables of the Group and the Company are \$2,656,000 and nil (2024: \$3,426,000 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 year are as follows:

| | Group | | Company | |
|--------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2025 | 31 Dec 2024 | 31 Dec 2025 | 31 Dec 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| At 1 January | 490 | 491 | 407 | 417 |
| Provision for the year | 440 | 505 | 416 | 455 |
| Write-back of provision | (268) | (99) | (240) | (73) |
| Utilised during the year | (167) | (406) | (167) | (392) |
| Currency realignment | (5) | (1) | – | – |
| At 31 December | 490 | 490 | 416 | 407 |

10. Borrowings

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2025 | 31 Dec 2024 | 31 Dec 2025 | 31 Dec 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Amount repayable within one year or on demand | | | | |
| Unsecured | 3,000 | 4,500 | 3,000 | 4,500 |
| Trade facilities | – | 4,608 | – | 3,322 |
| | 3,000 | 9,108 | 3,000 | 7,822 |

Nera Telecommunications Ltd and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025**

11. Share capital

| | Group and Company | | | |
|--|--------------------------|--------------------|-------------------------|--------------------|
| | | | Number of shares | |
| | 31 Dec 2025 | 31 Dec 2024 | 31 Dec 2025 | 31 Dec 2024 |
| | \$'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 income / (expenses)

| | Group | | | |
|---|-----------------------|-------------------|------------------------|-------------------|
| | 6 months ended | | 12 months ended | |
| | 31 Dec | | 31 Dec | |
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| | | (Restated) | | (Restated) |
| Foreign exchange loss, net – forward currency contracts | (120) | (146) | (141) | (106) |
| Realised foreign exchange (loss)/gain, net | (235) | 77 | (506) | (298) |
| Unrealised foreign exchange gain/(loss), net | (136) | (189) | (1,194) | 676 |
| Government grants | 56 | 10 | 64 | 37 |
| Net gain on disposal of property, plant and equipment | 23 | - | 23 | 6 |
| Impairment of property, plant and equipment | - | (1,696) | - | (1,696) |
| Net gain on disposal of subsidiaries | 1,448 | - | 1,448 | - |
| Retrenchment costs | 11 | (376) | (735) | (531) |
| Others | 465 | 260 | 468 | 221 |
| | 1,512 | (2,060) | (573) | (1,691) |

Nera Telecommunications Ltd and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025**

13. Profit / (loss) from operating activities

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

| | Group | | | |
|---|-----------------------|-------------|------------------------|-------------|
| | 6 months ended | | 12 months ended | |
| | 31 Dec | | 31 Dec | |
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Amortisation of intangible assets | 57 | 50 | 102 | 138 |
| Bad debts write-off | 14 | 64 | 14 | 68 |
| Depreciation of property, plant and equipment | 266 | 154 | 541 | 619 |
| Depreciation of right-of-use assets | 801 | 746 | 1,559 | 1,598 |
| Net allowance / (write-back) for contract assets | 813 | (77) | 813 | (77) |
| Net gain on disposal of property, plant and equipment | (23) | - | (23) | (6) |
| Impairment of property, plant and equipment | - | 1,696 | - | 1,696 |
| Impairment loss on trade receivables | 120 | 341 | 120 | 341 |
| Write-back for doubtful debts | (80) | (382) | (80) | (435) |

14. Personnel expenses and employee benefits

| | Group | | | |
|-----------------------------|-----------------------|-------------|------------------------|-------------|
| | 6 months ended | | 12 months ended | |
| | 31 Dec | | 31 Dec | |
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| | | (Restated) | | (Restated) |
| Wages, salaries and bonuses | 6,758 | 12,265 | 14,411 | 20,829 |
| Pension contributions | 872 | 1,620 | 1,793 | 2,645 |
| Other personnel benefits | 896 | 1,328 | 2,055 | 2,577 |
| Retrenchment costs | (11) | 376 | 735 | 531 |
| | 8,515 | 15,589 | 18,994 | 26,582 |

15. Finance income

| | Group | | | |
|-----------------------|-----------------------|-------------|------------------------|-------------|
| | 6 months ended | | 12 months ended | |
| | 31 Dec | | 31 Dec | |
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest income from: | | | | |
| Bank deposits | 26 | 121 | 114 | 308 |
| Others | - | 46 | - | 46 |
| | 26 | 167 | 114 | 354 |

Nera Telecommunications Ltd and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025**

16. Finance expenses

| | Group | | | |
|-------------------------------|--------------------------|----------------|---------------------------|----------------|
| | 6 months ended 31 Dec | | 12 months ended 31 Dec | |
| | 2025 \$'000 | 2024 \$'000 | 2025 \$'000 | 2024 \$'000 |
| Interest expense | 56 | 131 | 214 | 266 |
| Interest on lease liabilities | 186 | 135 | 305 | 278 |
| | 242 | 266 | 519 | 544 |

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:

| | Group | | | |
|--|--------------------------|----------------|---------------------------|----------------|
| | 6 months ended 31 Dec | | 12 months ended 31 Dec | |
| | 2025 \$'000 | 2024 \$'000 | 2025 \$'000 | 2024 \$'000 |
| Consolidated income statement: | | | | |
| Current income tax: | | | | |
| Current income taxation | 356 | 326 | 459 | 586 |
| Over provision in respect of prior years | - | (45) | - | (620) |
| Deferred income tax: | | | | |
| Current year | 1,892 | (1,083) | 1,892 | (1,083) |
| Prior year | 712 | (48) | 712 | (48) |
| Income tax expense / (credit) recognised in profit and loss | 2,960 | (850) | 3,063 | (1,165) |

As at 31 December 2025, the Group and the Company recognised deferred tax assets of \$2,438,000 (2024: \$5,148,000) and \$2,160,000 (2024: \$2,442,000) respectively. The deferred tax assets are mainly related to unutilised tax losses and deductible temporary differences arising from one of the subsidiaries of the Group and the Company. Deferred tax assets have been recognised to the extent it is probable that there will be future taxable profits available against which the deductible temporary difference can be utilised.

Nera Telecommunications Ltd and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025**

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 years ended 31 December:

| | Group 12 months ended 31 Dec | |
|--|---|-------------|
| | 2025 | 2024 |
| | \$'000 | \$'000 |
| Net loss attributable to ordinary equity holders of the Company for basic and diluted earnings per share | (2,992) | (2,805) |
| 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 year 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 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2025 | 31 Dec 2024 | 31 Dec 2025 | 31 Dec 2024 |
| | \$ | \$ | \$ | \$ |
| Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents): | 10.70 | 11.58 | 5.45 | 8.64 |

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 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.

Nera Telecommunications Ltd and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025**

20. Segment information (cont'd)

| 6 months ended 31 Dec 2025 | WIN \$'000 | NI \$'000 | Adjustments \$'000 | | Total \$'000 |
|---|-----------------------|----------------------|-------------------------------|---|-------------------------|
| Revenue | 11,806 | 43,678 | | | 55,484 |
| Cost of sales | (9,513) | (37,409) | | | (46,922) |
| Gross profit | 2,293 | 6,269 | | | 8,562 |
| Distribution and selling expenses | (720) | (2,200) | | | (2,920) |
| Administrative expenses | (1,092) | (4,040) | | | (5,132) |
| Other income / (expenses) | 1,802 | (290) | | | 1,512 |
| Profit / (loss) from operating activities | 2,283 | (261) | | | 2,022 |
| Finance income | | | | | 26 |
| Finance expenses | | | | | (242) |
| Profit before tax | | | | | 1,806 |
| Tax | | | | | (2,960) |
| Net loss for the period | | | | | (1,154) |
| Other information | | | | | |
| Segment assets | 16,125 | 51,222 | 34,193 | A | 101,540 |
| Segment liabilities | 8,000 | 48,677 | 6,135 | B | 62,812 |
| Capital expenditure | (1) | 5 | | | 4 |
| Depreciation and amortisation | 74 | 1,050 | | | 1,124 |
| Other non-cash (income)/expenses (*) | 82 | 815 | | | 897 |
| 6 months ended 31 Dec 2024 | | | | | |
| | WIN \$'000 | NI \$'000 | Adjustments \$'000 | | Total \$'000 |
| Revenue | 10,625 | 40,288 | | | 50,913 |
| Cost of sales | (7,694) | (34,062) | | | (41,756) |
| Gross profit | 2,931 | 6,226 | | | 9,157 |
| Distribution and selling expenses | (1,146) | (3,861) | | | (5,007) |
| Administrative expenses | (1,525) | (5,472) | | | (6,997) |
| Other expenses | (137) | (1,923) | | | (2,060) |
| Profit / (loss) from operating activities | 123 | (5,030) | | | (4,907) |
| Finance income | | | | | 167 |
| Finance expenses | | | | | (266) |
| Loss before tax | | | | | (5,006) |
| Tax | | | | | 850 |
| Net loss for the period | | | | | (4,156) |
| Other information | | | | | |
| Segment assets | 21,825 | 46,019 | 42,608 | A | 110,452 |
| Segment liabilities | 10,113 | 42,190 | 16,239 | B | 68,542 |
| Capital expenditure | 5 | 44 | | | 49 |
| Depreciation and amortisation | 101 | 849 | | | 950 |
| Other non-cash (income)/expenses (*) | 157 | 4 | | | 161 |

Nera Telecommunications Ltd and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025**

20. Segment information (cont'd)

| 12 months ended 31 Dec 2025 | WIN \$'000 | NI \$'000 | Adjustments \$'000 | | Total \$'000 |
|---|-----------------------|----------------------|-------------------------------|---|-------------------------|
| Revenue | 18,003 | 82,190 | | | 100,193 |
| Cost of sales | (14,140) | (68,224) | | | (82,364) |
| Gross profit | 3,863 | 13,966 | | | 17,829 |
| Distribution and selling expenses | (1,542) | (4,997) | | | (6,539) |
| Administrative expenses | (2,099) | (8,142) | | | (10,241) |
| Other income / (expenses) | 480 | (1,053) | | | (573) |
| Profit / (loss) from operating activities | 702 | (226) | | | 476 |
| Finance income | | | | | 114 |
| Finance expenses | | | | | (519) |
| Loss before tax | | | | | 71 |
| Tax | | | | | (3,063) |
| Net loss for the year | | | | | (2,992) |
| Other information | | | | | |
| Segment assets | 16,125 | 51,222 | 34,193 | A | 101,540 |
| Segment liabilities | 8,000 | 48,677 | 6,135 | B | 62,812 |
| Capital expenditure | 7 | 33 | | | 40 |
| Depreciation and amortisation | 186 | 2,016 | | | 2,202 |
| Other non-cash (income)/expenses (*) | 85 | 955 | | | 1,040 |
| 12 months ended 31 Dec 2024 | | | | | |
| | WIN \$'000 | NI \$'000 | Adjustments \$'000 | | Total \$'000 |
| Revenue | 19,362 | 78,883 | | | 98,245 |
| Cost of sales | (14,534) | (62,891) | | | (77,425) |
| Gross profit | 4,828 | 15,992 | | | 20,820 |
| Distribution and selling expenses | (2,328) | (8,299) | | | (10,627) |
| Administrative expenses | (2,464) | (9,818) | | | (12,282) |
| Other income / (expenses) | 52 | (1,743) | | | (1,691) |
| Profit / (loss) from operating activities | 88 | (3,868) | | | (3,780) |
| Finance income | | | | | 354 |
| Finance expenses | | | | | (544) |
| Loss before tax | | | | | (3,970) |
| Tax | | | | | 1,165 |
| Net loss for the year | | | | | (2,805) |
| Other information | | | | | |
| Segment assets | 21,825 | 46,019 | 42,608 | A | 110,452 |
| Segment liabilities | 10,113 | 42,190 | 16,239 | B | 68,542 |
| Capital expenditure | 20 | 264 | | | 284 |
| Depreciation and amortisation | 212 | 2,143 | | | 2,355 |
| Other non-cash (income)/expenses (*) | 107 | 202 | | | 309 |

(*) Other non-cash (income)/expenses include net provision for warranty, stocks written down, net allowance for doubtful trade debts, net allowance for contract assets and bad debts written off.

Nera Telecommunications Ltd and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025**

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:

| | 31 Dec 2025 | 31 Dec 2024 |
|---|--------------------|--------------------|
| | \$'000 | \$'000 |
| Deferred tax assets | 2,438 | 5,148 |
| Other receivables, deposits and prepayments | 21,572 | 23,161 |
| Cash and cash equivalents | 10,182 | 10,591 |
| Fixed deposits | - | 3,708 |
| | <u>34,192</u> | <u>42,608</u> |

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

| | 31 Dec 2025 | 31 Dec 2024 |
|-----------------------------|--------------------|--------------------|
| | \$'000 | \$'000 |
| Defined benefit obligation | 434 | 605 |
| Other payables and accruals | 2,701 | 6,247 |
| Borrowings | 3,000 | 9,108 |
| Provision for taxation | - | 279 |
| | <u>6,135</u> | <u>16,239</u> |

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 | | 12 months ended | |
| | 31 Dec | | 31 Dec | |
| | 2025 | 2024 | 2025 | 2024 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Singapore | 28,227 | 23,169 | 53,320 | 50,184 |
| Indonesia | 2,260 | 8,280 | 7,464 | 13,616 |
| Malaysia | 14,435 | 9,956 | 22,901 | 18,547 |
| Philippines | 22 | 275 | 594 | 502 |
| Thailand | 893 | 986 | 1,483 | 2,144 |
| EMEA countries | 6,902 | 8,247 | 10,834 | 11,957 |
| Others | 2,745 | - | 3,597 | 1,295 |
| | <u>55,484</u> | <u>50,913</u> | <u>100,193</u> | <u>98,245</u> |

Nera Telecommunications Ltd and its Subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the 12 months ended 31 December 2025**

20. Segment information (cont'd)

Geographical segments (cont'd)

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

| | Non-current assets | |
|----------------|---------------------------|--------------------|
| | 31 Dec 2025 | 31 Dec 2024 |
| | \$'000 | \$'000 |
| Singapore | 3,501 | 4,897 |
| Indonesia | 140 | 305 |
| Malaysia | 1,785 | 738 |
| Philippines | 927 | 1,018 |
| Thailand | 93 | 170 |
| EMEA countries | 182 | 253 |
| Others | – | – |
| | 6,628 | 7,381 |
| | 6,628 | 7,381 |

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

21. Comparative figures

The effects of the reclassification on the consolidated statement profit or loss of the Group for the 6 months and the financial year ended 31 December 2024 are summarised below:

| Group | As per previously stated | Adjustments | As restated |
|---|---|--------------------|--------------------|
| | \$'000 | \$'000 | \$'000 |
| <i>Consolidated Statement of Profit or Loss for the 6 months ended 31 December 2024</i> | | | |
| Cost of sales | (39,618) | (2,138) | (41,756) |
| Distribution and selling expenses | (7,494) | 2,487 | (5,007) |
| Administrative expenses | (7,024) | 27 | (6,997) |
| Other income / (expenses) | (1,684) | (376) | (2,060) |
| <i>Consolidated Statement of Profit or Loss for the financial year ended 31 December 2024</i> | | | |
| Cost of sales | (73,837) | (3,588) | (77,425) |
| Distribution and selling expenses | (14,656) | 4,029 | (10,627) |
| Administrative expenses | (12,372) | 90 | (12,282) |
| Other income / (expenses) | (1,160) | (531) | (1,691) |

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2025**

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 31 December 2025 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

On a year-on-year ("YOY") basis, the Group's revenue for 2H2025 increased by 9.0% to \$55.48 million from \$50.91 million in 2H2024. For FY2025, total revenue rose by 2.0% to \$100.19 million from \$98.25 million in FY2024.

The growth in both periods was primarily driven by higher contributions from Singapore and Malaysia, partially offset by lower revenue from Indonesia.

Network Infrastructure ("NI")

Against the corresponding period last year, revenue for 2H2025 increased by 8.4% to \$43.68 million from \$40.29 million in 2H2024. The increase was mainly due to higher contributions from Singapore and Malaysia, partially offset by lower revenue from Indonesia.

Compared to FY2024, revenue for FY2025 increased by 4.2% to \$82.19 million from \$78.88 million in FY2024. The increase was mainly due to higher contributions from Singapore and Malaysia, partially offset by lower revenue from Indonesia.

Wireless Infrastructure Network ("WIN")

On a YOY basis, revenue for 2H2025 increased by 11.1%, from \$10.63 million in 2H2024 to \$11.81 million. For the full year, revenue for FY2025 declined by 7.0%, from \$19.36 million in FY2024 to \$18.00 million. The decrease was primarily due to lower revenue contributions from Singapore, Indonesia and Malaysia, partially offset by higher revenue from Pakistan.

b) Gross Profit

On a YOY basis, the Group recorded a 6.5% decrease in gross profit for 2H2025 to \$8.56 million from \$9.16 million in 2H2024. Gross profit margin for 2H2025 stood at 15.4%, lower than 2H2024's of 18.0%. The decrease in gross profit margin is mainly due to the impairment of contract assets of \$0.81 million in 2H2025 and positive project closure adjustments of \$1.40 million in 2H2024.

Gross profit in FY2025 decreased by 14.4% to \$17.83 million from \$20.82 million in FY2024, while gross profit margin for FY2025 stood at 17.8%, against FY2024's of 21.2%. The decrease in gross profit margin is mainly due to the impairment of contract assets of \$0.81 million in FY2025 and positive project closure adjustments of \$1.40 million in FY2024.

c) Other Income/(Expenses)

On a YOY basis, the Group's other expenses decreased by \$3.57 million in 2H2025 compared to the corresponding period in the prior year, resulting in a net other income of \$1.51 million. The improvement was mainly attributable to a net gain on disposal of subsidiaries in 2H2025 and an impairment loss on assets under construction of a foreign subsidiary in 2H2024. For FY2025, the Group recorded other expenses of \$0.57 million, primarily from net gain on disposal of investments amounting to \$1.45 million and partially offset by the foreign exchange losses.

d) Operating Expenses

On a YOY basis, total operating expenses for 2H2025 and FY2025 decreased by 32.9% and 26.8%, respectively, as compared to the corresponding periods last year. This was mainly due to lower distribution and selling expenses and administrative expenses.

Distribution and selling expenses decreased by 41.7% in 2H2025 and 38.5% in FY2025. This was mainly due to lower staff related costs.

Administrative expenses decreased by 26.7% in 2H2025 and 16.6% for FY2025. This was primarily due to lower travel and entertainment expenses, reduced professional fees, and lower depreciation.

e) Finance Income/(Expense)

The decrease of interest expenses in 2H2025 and FY2025 as compared to preceding periods last year is largely due to lower borrowings. The lower finance income booked in 2H2025 and FY2025 is mainly due to the uplift of fixed deposits which earned high interest income in prior year.

f) Profit / (Loss) Before Tax

The Group reported profit before tax of \$1.81 million in 2H2025 compared to loss before tax of \$5.01 million in 2H2024. This was primarily due to decreased distribution and selling expenses and administrative expenses, net gain on disposal of subsidiaries, and without one-off impairment loss on assets under construction of a foreign subsidiary which was recorded in 2H2024.

For FY2025, the Group recorded a profit before tax of \$0.07 million, compared to a loss before tax of \$3.97 million in FY2024. The improvement in profit before tax for FY2025 was due to lower operating expenses, net gain on disposal of subsidiaries, and without one-off impairment loss on assets under construction of a foreign subsidiary which was recorded in FY2024. This was partially offset by foreign exchange losses.

g) Tax

Compared to the corresponding periods last year, the increase in income tax expense for 2H2025 and FY2025 was primarily due to higher taxable profits contributed from Singapore and Malaysia and derecognising deferred tax assets in Indonesia.

h) Loss After Tax

Overall, the Group recorded a loss after tax of \$2.99 million in FY2025, a slight increase from the \$2.81 million loss reported in FY2024, which was largely contributed by the adjustments to deferred tax assets.

Interim Statements of Financial Position

i) Non-current assets

The Group's non-current assets decreased by \$3.46 million mainly due to the decrease in carrying amount of property, plant and equipment and deferred tax assets.

j) Current assets

The Group's current assets decreased by \$5.45 million mainly due to the decrease in trade receivables, other receivables and fixed deposits, partially offset by increase in contract assets.

k) Current liabilities

The Group's current liabilities decreased by \$4.92 million mainly due to the decrease in other payables and short-term borrowings, partially offset by increase in trade payables.

l) Non-current liabilities

The Group's non-current liabilities decreased by \$0.81 million marginally mainly due to the payment on the lease liabilities.

m) Cash flow

The decrease in cash and cash equivalents of \$4.13 million was mainly due to net repayment of bank loans and trade facilities of \$6.11 million, repayment of lease liabilities of \$1.99 million, partially offset by net cash flows generated from operating activities of \$3.95 million. This has improved the group's net cash position to \$7.18 million (FY2024: \$5.19 million).

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

In the Company's profit guidance announcement dated 13 February 2026, the Company stated that the Group is expected to report a net loss for the full year ended 31 December 2025. The Group reported a net loss after tax of \$2.99 million in FY2025.

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.

The Group entered the second half of FY2025 with stronger operational momentum, delivering a 9.0% YOY increase in 2H2025 revenue to \$55.48 million (2H2024: \$50.91 million). For the full year, revenue grew 2.0% to \$100.19 million (FY2024: \$98.25 million), supported by steady 4.2% growth in the NI segment and an improved performance in the WIN segment, which posted 11.1% YOY revenue growth in 2H2025.

Disciplined cost management and organisational streamlining drove a 32.9% reduction in operating expenses in 2H2025 and a 26.8% reduction for the full year. Together with lower financing costs arising from reduced borrowings, earnings quality improved significantly. This enabled the Group to achieve a turnaround to a profit before tax (PBT) of \$1.81 million in 2H2025, compared with a loss before tax of \$5.01 million in 2H2024. On a full-year basis, PBT recovered to \$0.07 million, versus a loss of \$3.97 million in FY2024.

The Group generated positive operating cash flow of \$3.95 million and reduced bank loans and trade facilities by \$6.11 million, reinforcing balance sheet resilience and enhancing financial flexibility.

FY2025 new order intake was \$96.22 million. The Group closed FY2025 with an order backlog of \$104.52 million, providing revenue visibility and a resilient platform as it enters FY2026.

Nera Telecommunications Ltd and its Subsidiaries

Other Information Required by Listing Manual For the 12 months ended 31 December 2025

Looking ahead, the Group is focused on intensifying efforts to broaden and deepen relationships with existing customers, leveraging cross-selling opportunities across infrastructure, cybersecurity and managed services. At the same time, targeted acquisition of new customers across Government, Transport and Utilities (GTU), Enterprise (ENT) and Service Provider (SP) sectors remain a priority.

Strategically, the Group continues to strengthen its core competencies in wired and wireless infrastructure and secure network architectures, while accelerating the expansion of its higher-margin recurring businesses, particularly managed services including SOC and NOC capabilities. With a leaner cost structure, harmonised regional operations, improved cash generation, and a healthy closing backlog, the Group expects the positive momentum achieved in 2H2025 to continue into FY2026.

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?

| | |
|--------------------------------------|------------------|
| Name of Dividend | Final (one-tier) |
| Dividend Type | Cash |
| Dividend Amount per Share (in cents) | 0.5 cents |
| Tax rate | Tax exempt |

(c) Date payable

NA

(d) Books closure date

NA

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.

Nera Telecommunications Ltd and its Subsidiaries

Other Information Required by Listing Manual For the 12 months ended 31 December 2025

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. For the 6 months and the financial year ended 31 December 2025, 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) | |
|---|--|---|---------------------------------------|---|---------------------------------------|
| | | 6 months ended 31 Dec 2025 \$'000 | 12 months ended 31 Dec 2025 \$'000 | 6 months ended 31 Dec 2025 \$'000 | 12 months ended 31 Dec 2025 \$'000 |
| Transactions for the Sale of Goods and Services <u>Management services income</u> Ennoconn Solutions Singapore Pte. Ltd. | Controlling shareholder of the Company | - | - | 211 | 451 |

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 31 December 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Gn Jong Yuh Gwendolyn
Company Secretary

27 February 2026