Nera Telecommunications Ltd

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NEWS RELEASE

NeraTel Posts Revenue of $40.3 Million for 1Q2023; Net Cashflow from Operations Up Significantly

- *1Q2023 revenue increased 44.2% to $40.3 million from $27.9 million a year ago, lifted by higher contributions from GTU and SP business segments*
- *1Q2023 order intake rose by 19.4% from $22.2 million to $26.5 million as compared to preceding year quarter contributed from SP and ENT business segments*
- *Net cashflow* from operations up significantly to $10.3 million from $8.3 million a year ago
- *New cybersecurity regulations implemented in ASEAN countries present strong opportunities for NeraTel to offer cybersecurity solutions*

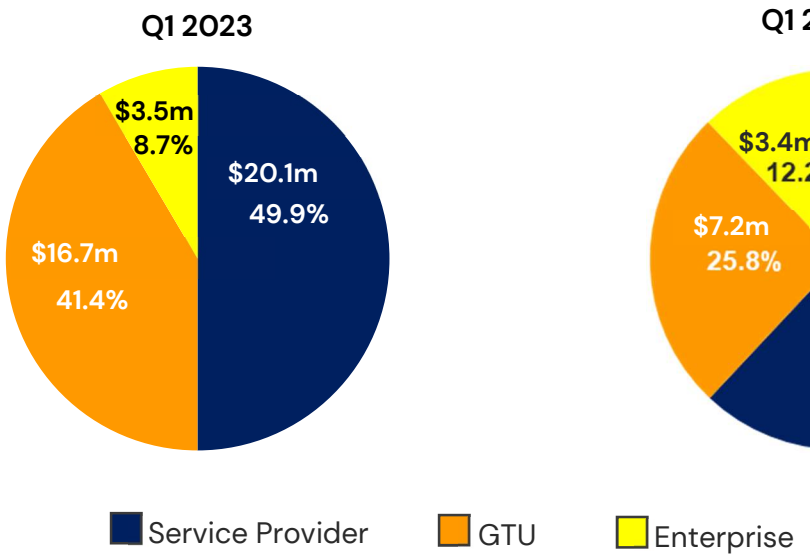
SINGAPORE, 23 May 2023 – **Nera Telecommunications Ltd** ("NeraTel", 挪拉电讯, or the "Group") announced today that it recorded revenue of $40.3 million for the three months ended 31 March 2023 ("1Q2023"), while recording significantly higher net cashflow from operations as it continued to ramp up project delivery.

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Revenue Contribution by Customer Sectors

$(million)	Q1 2023	Q1 2022	% Change
Group Revenue	**40.3**	**27.9**	**44.2**
Government, Transport and Utilities ("**GTU**")	16.7	7.2	132.0
Service Provider ("**SP**")	20.1	17.3	16.2
Enterprise ("**ENT**")	3.5	3.4	3.0



1Q2023 revenue rose 44.2% to $40.3 million from $27.9 million in 1Q2022, driven by improved performance from the Government, Transport and Utility ("GTU") and Service Provider ("SP") segments. GTU's turnover more than doubled to $16.7 million from $7.2 million in 1Q2023, while contribution from SP increased 16.2% to $20.1 million from $17.3 million a year ago.

Revenue contribution from Network Infrastructure ("NI") increased 79.2% year-on-year to $35.3 million amid higher sales in Singapore, Indonesia and Malaysia, offset by lower revenue in the Philippines. Delivery constraints for the Wireless Infrastructure Network ("WIN") solutions especially for the Europe/Middle East and Africa ("EMEA") region resulted in turnover lowering by 39.8% to $5.0 million in 1Q2023 from $8.3 million a year earlier.

In line with revenue, gross profit increased 43.1% to $8.5 million in 1Q2023 from $6.0 million. Accordingly, gross profit margin for 1Q2023 stood at 21.1%, relatively stable compared to 21.5% for 1Q2022.

Net cashflow from operations improved significantly to $10.3 million in 1Q2023 from 1Q2022's $8.3 million.

Order Intake by Customer Sector

$(million)	Q1 2023	Q1 2022	(%)
Total Order Intake	**26.5**	**22.2**	**19.4**
Government, Transport and Utilities ("**GTU**")	4.4	6.5	(32.3)
Service Provider ("**SP**")	19.0	13.6	39.7
Enterprise ("**ENT**")	3.1	2.1	47.6

The Group secured a higher order intake of $26.5 million during the quarter, 19.4% higher compared to $22.2 million for the comparative period a year ago. Despite the recovery, order intake volume reflects the ongoing economic challenges amid intense competition and softened short-term demand.

Looking ahead, NeraTel expects business recovery to be impacted by the current economic challenges. The Group will accelerate project delivery for WIN and NI to achieve faster revenue recognition while freeing up resources to capture new, longer-term projects.

As part of its diversification strategy, the Group is targeting sectors such as logistics, transportation, oil & gas, utilities and Financial Services, while enhancing core capabilities to expand its range of cloud consulting services such as assessment, migration, operation and optimisation.

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NeraTel will also strengthen its cybersecurity business, leveraging its Pakistan Security Operations Centre to serve Middle East and African customers and marketing its cybersecurity solutions to ASEAN to capture growing demand, driven by new cybersecurity and data protection laws within the region.

Chief Executive Officer Mr Chong Hoi Ming (莊海明) ("Mr Chong") said, "We are pleased to report an encouraging first quarter. The Group expects the operating environment to become increasingly challenging, as several economic headwinds could dampen customer sentiment. In response, NeraTel will focus on developing pipelines of high-quality projects, fortifying our customer base, moving up the value chain to improve profit margins, and improving internal efficiencies."

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About Nera Telecommunications Ltd

Nera Telecommunications Ltd ("NeraTel") is a leading Communications and Network Solutions Provider with an established track record delivering full suite turnkey network and wireless solutions.

Incorporated in October 1978 and listed on the SGX Mainboard since July 1999, the company employs some of the best teams of certified engineers in the region with expertise in Network Infrastructure, Wireless Network Infrastructure, Cybersecurity, as well as Support and Managed Services to serve its strong customer base from a wide range of industries including telecommunications, enterprises, government organisations, transport and utilities, amongst others.

Headquartered in Singapore, NeraTel has a diversified geographical presence in over 16 countries across Asia-Pacific, Europe, Middle East and Africa.

For more information, please visit our website: http://www.nera.net/

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