

NERA TELECOMMUNICATIONS LTD

Company Registration No. 197802690R
(Incorporated in the Republic of Singapore)

PROFIT GUIDANCE FOR THE HALF YEAR ENDED 30 JUNE 2021

The Board of Directors of Nera Telecommunications Ltd (“NeraTel” or the “Company”, together with its subsidiaries, the “Group”) wishes to inform shareholders that the Group is expected to report a net loss for the half year ended 30 June 2021 (“1H2021”) after a preliminary assessment of its unaudited financial results for 1H2021.

In the Company’s announcement dated 18 May 2021 on the Group’s business performance for the first quarter ended 31 March 2021 (“1Q2021”), we shared that the Group’s business performance was impacted by the challenges posed by the ongoing COVID-19 pandemic across the majority of its geographical markets.

The prolonged pandemic, exacerbated by the more contagious COVID-19 delta variant, has led to further movement control restrictions and has negatively affected the Group’s business and revenues across its markets. The Group continues to experience slowdowns in project progressions, reduced customer capital expenditures, and delays in vendor deliveries due to shortages in the global semiconductor supply chain.

Additionally, NeraTel has undertaken a more prudent and selective approach towards new projects since 2020, which has also contributed to a decrease in the Group’s opening order backlog and revenue for 2021.

Consequently, these disruptions have continued to adversely impact the Group’s operational performance and the Group is expected to report a net loss for 1H2021.

The Group’s balance sheet, working capital, cash position and order backlog remain healthy.

The Company is in the process of finalising the unaudited consolidated financial results of the Group and further details will be disclosed when the Company announces its unaudited consolidated financial results for 1H2021 after trading hours by 14 August 2021.

Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board

Chan Wan Mei and Gan Lee Teng
Joint Company Secretaries

6 August 2021