

NERA TELECOMMUNICATIONS LTD

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

PROFIT GUIDANCE FOR THE FULL YEAR ENDED 31 DECEMBER 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 full year ended 31 December 2021 (“FY2021”) after a preliminary assessment of its unaudited financial results for FY2021.

The Company announced on 14 January 2022 that two of the Group’s foreign subsidiaries received bills of demand relating to tax liabilities for an estimated total amount equivalent to S\$3.62 million. The estimated total tax liability payable, subject to ongoing negotiations with relevant tax authorities, is expected to have a material financial impact on the Company and its subsidiaries.

Additionally, on 29 October 2021, NeraTel announced that the Company was served with a statutory notice of demand by solicitors acting for Sandvine Corporation, for a sum equivalent to S\$1.09 million (the “Ordered Costs”). The Ordered Costs have since been paid in November 2021, bringing these legal proceedings to a close.

In the Company’s announcement dated 25 November 2021 on the Group’s business performance for the third quarter ended 30 September 2021 (“3Q2021”), NeraTel shared that the spread of the COVID-19 Delta variant, which resulted in an unexpected surge in cases globally, will likely continue to create uncertainties for the Group’s business outlook. This has since been exacerbated by the more contagious Omicron variant. The Group continues to experience project delays and cancellations, reduced customer capital expenditures, and delays in vendor deliveries due to shortages in the global semiconductor supply chain.

Consequently, these latest developments, coupled with one-off impairments mainly from project delays or cancellations resulting from disruptions caused by the global pandemic, have adversely impacted the Group’s operational performance, and NeraTel is expected to report a net loss for FY2021.

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 FY2021 by end February 2022.

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 Chan Lai Yin
Joint Company Secretaries

26 January 2022