

NEWS RELEASE

**NeraTel Records Revenue Increase of 19.8% Year-on-Year to \$108.3 Million in 9M2023;
Secures Fresh Project Worth \$11.5 Million in November 2023**

- *9M2023 revenue increased 19.8% to \$108.3 million from \$90.4 million in 9M2022, propelled by accelerated project delivery in three customer sectors*
- *Order intake for 9M2023 totalled \$69.5 million, compared to \$112.7 million a year ago*
- *NeraTel secured project worth \$11.5 million in November 2023 to provide and manage infrastructure solutions across almost 100 sites for a leading Southeast Asian telecommunications service provider*
- *The Group is expanding its range of services to include cloud consulting services, cybersecurity and Enterprise Service Management, while diversifying its customer base*

SINGAPORE, 14 November 2023 – SGX-Mainboard listed IT network infrastructure leader **Nera Telecommunications Ltd** (“NeraTel”, 挪拉电讯, or the “Group”) said today that revenue for the nine months ended 30 September 2023 (“9M2023”) rose to \$108.3 million, lifted by higher contributions from its three main customer sectors.

The Group said revenue for the third quarter ended 30 September 2023 (“3Q2023”) declined 3.8% to \$27.9 million from \$29.0 million a year ago. However, 9M2023 topline rose 19.8% from \$90.4 million a year ago on the back of accelerated project delivery in the Government, Transport and Utility (“GTU”), Service Provider (“SP”) and Enterprise (“ENT”) sectors. The Group also streamlined processes and optimised resources.

Financial Highlights

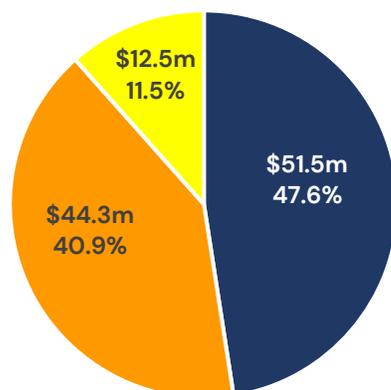
3Q Y-o-Y Revenue Contribution by Customer Sectors

\$ (million)	3Q 2022	3Q 2023	% Change
Group Revenue	29.0	27.9	(3.8)
Government, Transport and Utilities (" GTU ")	8.4	8.5	1.2
Service Provider (" SP ")	16.4	13.8	(15.9)
Enterprise (" ENT ")	4.2	5.6	33.3

9M Revenue Contribution by Customer Sectors

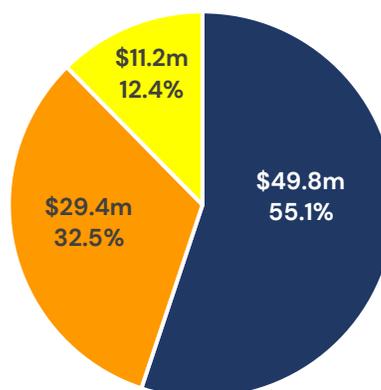
\$ (million)	9M 2022	9M 2023	% Change
Group Revenue	90.4	108.3	19.8
Government, Transport and Utilities (" GTU ")	29.4	44.3	50.7
Service Provider (" SP ")	49.8	51.5	3.4
Enterprise (" ENT ")	11.2	12.5	11.6

9M2023



■ SP ■ GTU ■ Enterprise

9M2022



■ SP ■ GTU ■ Enterprise

Revenue contribution from Network Infrastructure (“NI”) in 9M2023 rose 34.1% to \$90.4 million from \$67.4 million a year ago, lifted by improved performance from Singapore, Indonesia and Malaysia. Meanwhile, revenue for Wireless Infrastructure Network (“WIN”) declined 20.1% to \$17.9 million from \$22.4 million, mainly due to lower contributions from the EMEA markets.

The Group recorded gross profit of \$23.3 million in 9M2023, a 14.4% increase from \$20.4 million for the comparative period a year ago. 9M2023 gross profit margin stood at 21.5%, compared to 9M2022’s 22.5%, mainly due to different product and services mix delivered during this period.

Outlook

Order Intake by Customer Sectors

\$(million)	3Q2022	3Q2023	YoY%	9M 2022	9M2023	YoY%
Total Order Intake	41.8	23.0	(45.0)	112.7	69.5	(38.3)
<i>Government, Transport and Utilities (“GTU”)</i>	14.4	4.2	(70.8)	34.6	15.1	(56.3)
<i>Service Provider (“SP”)</i>	18.8	16.8	(10.6)	64.5	43.7	(32.2)
<i>Enterprise (“ENT”)</i>	8.6	2.0	(76.7)	13.6	10.7	(21.3)

On the outlook, order intake for 9M2023 declined 38.3% to \$69.5 million from \$112.7 million a year ago, as customer demand continued to soften amid elevated interest rates, macroeconomic slowdown, growing inflation and higher cost pressures. While the Group’s EMEA operations are not expected to face disruptions from the conflict in the Middle East, NeraTel will continue to monitor the situation closely.



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In November 2023, NeraTel secured a \$11.5 million contract to supply and install equipment, systems and network integration across almost 100 sites for a leading Southeast Asian telecommunications service provider.

The project win follows the completion of an earlier project with the same service provider. It includes a 28-month managed service engagement whereby NeraTel undertakes day-to-day operations, management, maintenance and support services until the end of 2025. Revenue recognition and positive impact to order intake will be reflected in 4Q2023.

Despite the challenging operating environment, the Group remains cautiously optimistic, and is focused on strengthening its project pipeline within the healthcare and GTU sectors. The Group is also moving up the value chain to offer new services such as cloud consulting, cybersecurity and Enterprise Service Management.

In October 2023, NeraTel signed a Memorandum of Understanding (“MoU”) with cybersecurity leader uniXecure Corporate, a wholly-owned subsidiary of Taiwan Stock Exchange-listed SYSTEX Corporation. With an expanded range of cybersecurity solutions, the Group’s cybersecurity arm will target Small and Medium Enterprises (“SMEs”) in the Middle East, ASEAN and Africa.

The Group will offer these services to existing customers, while diversifying its customer base to new sectors such as Logistics, Transportation, Oil & Gas, Utilities and the Financial Services Industry. NeraTel is also working closely with strategic partners to offer Internet of Things (IoT) services in Southeast Asia, and offering its LTE/5G Private Mobile Network solutions to mining and port customers.

Chief Executive Officer Mr Chong Hoi Ming (莊海明) (“Mr Chong”) said, “Despite the challenging landscape, we have ramped up project completions and delivered a strong topline. Looking ahead,



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NeraTel will continue to improve our existing capabilities, while offering new services to a wider customer base. These efforts will allow the Group to generate new revenue streams, mitigate the impact of current market challenges, and pave the way for long-term transformation of our business.”

NERA

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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 counts among its 1,000 employees worldwide, some of the most highly certified teams of engineers, 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/> or contact:

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